



Annual December 2015

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Directors



DIRECTORS

Michael J Carrick

Chairman

Justine A Magee

David A Cruse

Robert N Scott

Phil C Lockyer

Mathew G Syme

Appointed 4 June 2014,
retired 9 Sept 2014

SECRETARY

Nicholas Day

Appointed 21 January 2015

Ryan P Gurner

Appointed 9 Sept 2014,
resigned 21 January 2015

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➔ Management Discussion & Analysis





Management Discussion and Analysis

For the year ended December 31, 2015

This Management Discussion and Analysis (“MD&A”) provides a review of the performance of RTG Mining Inc.’s (“RTG”, “Company” or the “Group”) operations and compares its performance with those of the preceding year and quarters. This MD&A also provides an indication of future developments along with issues and risks that can be expected to impact future operations. The comparative financial information presented in the report relates to both RTG and Ratel Group Limited (“Ratel Group”). This report has been prepared on the basis of available information up to December 31, 2015 and should be read in conjunction with the annual audited financial statements of the Company for the period ended December 31, 2015, and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and the Annual Information Form (“AIF”) dated March 30, 2016 for December 31, 2015.

All figures are in US dollars unless otherwise indicated, and the effective date of this MD&A is March 30, 2016.

Additional information relating to the Company, including the Company’s Financial Statements and AIF can be found on SEDAR at www.sedar.com.

DESCRIPTION AND OVERVIEW OF BUSINESS

RTG was incorporated on December 27, 2012 and is domiciled in the British Virgin Islands. On March 28, 2013, Ratel Group and RTG completed the merger (the “Merger”) of Ratel Group and Ratel Merger Ltd., a wholly-owned subsidiary of RTG. As a result, the surviving corporation formed by the Merger is a wholly-owned subsidiary of RTG. On April 15, 2013, the restructuring transaction was fully completed along with the satisfaction of the escrow release conditions pursuant to the private placement (the “Private Placement”) of 162,538,641 subscription receipts of RTG at C\$0.13 each, raising gross proceeds in the order of C\$21.1M. As a result, the previously issued ordinary shares of Ratel Group (the “Ratel Shares”) were exchanged for ordinary shares of RTG (the “RTG Shares”) and the surviving corporation formed by the Merger is a wholly-owned subsidiary of RTG. The 162,538,641 previously issued subscription receipts were automatically converted (for no additional consideration) into 162,538,641 RTG Shares and the gross proceeds of the Private Placement, less the commission payable to Haywood Securities Inc. as agent under the Private Placement and less the fees payable to the subscription receipt agent under the Private Placement, were released to RTG. The RTG Shares began trading on the Toronto Stock Exchange (“TSX”) under the former symbol for the Ratel Shares, “RTG”, effective as of the open of markets on April 15, 2013.

Ratel Group was incorporated on October 18, 2010 and is domiciled in the British Virgin Islands. Both CGX Limited (“CGX”) and Zambian Mining Limited (“Zambian Mining”) were incorporated on August 22, 2006 and are also domiciled in the British Virgin Islands. Ratel Group, CGX and Zambian Mining were previously wholly owned subsidiaries of Ratel Gold (now St Augustine Gold & Copper Limited (“SAU”). On December 17, 2010, the shares held by Ratel Gold (now SAU) were transferred to Ratel Group who acquired a 100% interest in Zambian Mining and CGX. Ratel Group was previously listed on the TSX on January 4, 2011 under the symbol “RTG” and pursuant to the Merger, has since ceased trading on the TSX. As of May 1, 2013, Ratel Group ceased to be a reporting issuer. CGX and Zambian Mining were incorporated to act as holding companies respectively for the interests in the Segilola Gold Project in Nigeria (the “Segilola Gold Project”) and the Mkushi Copper Project in Zambia (the “Mkushi Copper Project”) (sold during the 2013 year, as discussed below).

On June 4, 2014, RTG completed the implementation of the schemes of arrangement (the “Schemes”) pursuant to the terms of the previously announced Scheme Implementation Deed dated February 24, 2014 (the “Deed”) between RTG and Sierra Mining Limited (“Sierra”) to acquire all of the outstanding securities of Sierra.

Pursuant to the Schemes, RTG acquired all of the outstanding shares of Sierra (“Sierra Shares”) and all of the outstanding listed options of Sierra (“Sierra Options”), and issued as consideration:

- (a) to eligible shareholders of Sierra, 3 RTG Shares for every 10 Sierra Shares held and 1 new share purchase option of the Company (“RTG Option”) for every 30 Sierra Shares held; and
- (b) to eligible option holders of Sierra, 2 RTG Shares for every 10 Sierra Options held and 2 RTG Options for every 90 Sierra Options held.

The Company also acquired all unlisted Sierra Options (“Sierra Unlisted Options”), and issued as consideration to such holders of Sierra Unlisted Options:

- (a) 1 RTG Share for every 10 Sierra Unlisted Options exercisable at \$0.20 each on or before July 1, 2014, together with 1 RTG Option for every 90 Sierra Unlisted Options held; and
- (b) 1 RTG Share for every 20 Sierra Unlisted Options exercisable at \$0.25 each on or before July 1, 2015, together with 1 RTG Option for every 180 Sierra Unlisted Options held.

Pursuant to the Schemes, RTG has acquired a direct 40% interest in each of Mt. Labo Exploration & Development Corporation ("Mt. Labo"), St Ignatius Exploration and Mineral Resources Corporation, Bunawan Mining Corporation ("Bunawan Mining Corp") and Oz Metals Exploration and Development Corporation and a further indirect interest in Mt. Labo, collectively known as the "Associates".

Mabilo Project (the "Mabilo Project")

The Company's principal asset and focus is the Mabilo Project ("the Project"). The Project is located in Camarines Norte Province, Eastern Luzon, Philippines. It is comprised of one exploration permit (EP-014-2013-V) of approximately 498 ha (under renewal) and two exploration permit applications (EXPA-000188-V) of 2,737 ha and (EXPA 0000 209-V) of 498 ha. The Project area is relatively flat and is easily accessed by 15 km of all-weather road from the highway at the nearby town of Labo.

Sierra discovered the mineralisation in 2012 during a reconnaissance drilling program targeted on magnetic anomalies from a ground magnetic survey conducted by a former explorer. Sierra subsequently conducted a new ground magnetic survey in early 2013, remodelled the data and commenced a second phase of drilling in mid-2013.

Extensive drilling was undertaken during 2014 and 2015 with significant extensions in known strike beyond the magnetic model in the North and South directions. A total of 69 drill holes totalling 11,231m were used for the maiden resource estimate (dated November 24, 2014 with the NI 43-101 Technical Report lodged on 8 January 2015). An updated resource estimate (dated November 5, 2015) was completed using 98 drill holes totalling 18,200.9m. By the end of the year 111 drill holes had been completed at the Project. The current resource is open down plunge and along strike, with all mineralisation found to date being shallow enough to be amendable to open pit mining techniques.

During the first quarter of the current year for the Project, exploration activity concentrated on infill drilling in the South Mineralised Zone with the aim of converting Inferred Resources to Indicated Resources. Drilling focused on South Mineralised Zone down dip extensions and extensions to the South east of the South Mineralised Zone. Strong intercepts were recorded in both areas, including a broad high grade shallow intercept of garnet skarn on the Southeast corner of the previously defined South Mineralised Zone.

During the second quarter of the current year, drilling concentrated on extending the South Mineralised Zone with the aim of further converting Inferred Resources to Indicated Resources. Drilling focused on Fault Block 2 and initial validation of the revised geological interpretation on the North Mineralised Zone. Strong intercepts were recorded in both areas, including a wide down-hole intercept of high grade copper and gold (36.00m at 3.34 g/t Au and 3.25 % Cu) at the southern end of the South Mineralised trend.

The third quarter focused drilling on the North Mineralised Zone with the aim of improving confidence and converting Inferred Resources to Indicated Resources as well as extending the strike length. Multiple high grade intercepts were reported with wide shallow intervals of magnetite skarn continuing to validate the geological model. The drilling highlighted the North Mineralised Zone as a significant part of the projects potential total Mineral Resource.

During the fourth quarter, the focus remained on finalising the updated Mineral Resource, which as mentioned above was announced in November 2015. Completion of the Feasibility Study (as defined below) was expected late in the fourth quarter of 2015; however, additional test work and assaying was required to finalise the metallurgical report. The timing of the proposed startup of the Stage 1 Direct Shipping Operation ("DSO") has not been affected by the timing for completion of the FS which is focused on Stage 2, being the development of a plant for production of high grade concentrate materials

Previous phases of work focused on drilling out the modelled magnetite body in multiple directions. The revised geological model recognises the North Mineralised Zone as being an off-set continuation of the Southern Mineralised Zone (Figure 2). This model has been validated with multiple drill holes confirming the geological model and has increased the strike potential of the North Mineralised System.

A number of high grade intercepts were reported to the TSX on August 17, 2015 including drill hole MDH-111 which intersected multiple high grade mineralized zones (5m @ 3.76g/t Au & 3.92% and 9m @ 1.99g/t and 6.52% Cu) within a broad magnetite skarn intercept (54.1m @ 2.30g/t Au and 3.39% Cu from 63 meters). The drill hole is currently suspended, awaiting the Galeo Equipment Corporation's ("Galeo") recommencement of drilling and remains within mineralized magnetite skarn.

On November 5, 2015 the Company announced an update of the Mineral Resource for the Mabilo Project reported in accordance with the JORC Code (2012) and National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI43-101”) (See Table 1). The Indicated Mineral Resource category has increased by 52% to 8.9Mt. The new Mineral Resource Statement (with significant potential to grow with further drilling) delivers sufficient resources to justify a Feasibility Study (as defined below) with a 10 year mine life.

The Indicated Mineral Resource includes significant high grade oxide gold and copper at shallow levels which contains 67,100 ounces of gold, 32,100t of copper and 320,800t of iron.

Table 1

Mineral Resource Estimate Results - Reporting at 0.3 g/t Au lower cut-off – The Mabilo Project South and North Deposits											
Classification	Weathering	Million Tonnes	Cu %	Au g/t	Ag g/t	Fe %	Contained Au ('000s Oz)	Contained Cu ('000s t)	Contained Fe ('000s t)	Cu Equivalent* g/t	Cu Equivalent* ('000s t)
Indicated	Oxide + Supergene	0.78	4.1	2.7	9.7	41.2	67.1	32.1	320.8	5.9	45.7
Indicated	Fresh	8.08	1.7	2.0	9.8	46.0	510.5	137.7	3,713.7	3.3	264.1
Indicated	Total All Materials	8.86	1.9	2.0	9.8	45.6	577.6	169.8	4,034.5	3.5	309.8
Inferred	Oxide + Supergene	0.05	7.8	2.3	9.6	26.0	3.5	3.7	12.3	8.9	4.2
Inferred	Fresh	3.86	1.4	1.5	9.1	29.1	181.5	53.3	1,121.8	2.5	96.3
Inferred	Total All Materials	3.91	1.5	1.5	9.1	29.0	184.9	57.0	1,134.1	2.6	100.5
<i>Note: The Mineral Resource was estimated within constraining wireframe solids based on the mineralised geological units. The Mineral Resource is quoted from all classified blocks above a lower cut-off grade 0.3 g/t Au within these wireframe solids. Differences may occur due to rounding</i>											
* Cu equivalent is calculated using the following formula: Cu Equivalent = ((75.2%*Au Oz)*\$1,200)+((92.8%*Cu Tonnes)*\$5,200)+((88.4%*Fe Tonnes)*\$65)+((60%*Ag Oz)*\$16))/5,200											

There remains significant scope for further expansion of the resource. The magnetite skarn mineralisation, which makes up a significant portion of the Mineral Resource is well defined and remains open, down plunge and along strike.

Highlights of the resource include: –

- Total Indicated Resource of 8.9Mt at 1.92% Cu, 2.03g/t Au, 9.79g/t Ag and 45.56 Fe, containing 169,800t copper and 577,600oz of gold at a 0.3g/t Au cut-off grade (Table1).
- Total Inferred Resource of 3.9Mt at 1.46% Cu, 1.47g/t Au, 9.09g/t Ag and 29.02% Fe, containing 57,000t copper and 184,900oz of gold at a 0.3g/t Au cut-off grade (Table 1).
- Indicated Oxide Resource that includes a high grade oxide gold “cap” zone (385,000t @ 2.9g/t Au) and a very high grade Supergene Chalcocite zone (102,000t @ 23.0% Cu) at shallow levels).
- Significant upside potential remains to upgrade the Inferred Resource and to further extend the magnetite skarn mineralisation along strike and down dip beyond the current resource model.

The Feasibility Study (“FS”)

The Company announced on March 18, 2016 the results from an independent FS for 100% of the high grade Mabilo Project in southeast Luzon, Philippines. The FS demonstrates the potential for the Mabilo Project to outperform, specifically reinforcing the resilience of the Mabilo Project despite current commodity prices. The Mabilo Project is both high grade and low cost underpinning the robust economics presented in the FS including a 33% IRR after tax (43.6% with only a 10% lift in commodity prices) and an equivalent operating cost of US\$0.80/lb copper equivalent or US\$425/oz gold equivalent for concentrate production.

THE MABILO PROJECT 1.35 Mtpa CASE HIGHLIGHTS*
A Robust New Development Opportunity

Probable Mineral Reserves:	7.792Mt @ 2.04 g/t Au, 1.95% Cu, 8.79 g/t Ag, 45.5% Fe Containing 1.3Moz Au equivalent at 5.26 g/t (before recoveries) Containing 316Kt Cu equivalent at 4.1% (before recoveries)
IRR (after tax):	33.4% (US\$5000/t Cu, US\$1200/oz Au and US\$50/t Fe)
Payback for Plant:	2.5 years
DSO Capex:	US\$17.4M
DSO Opex	US\$0.42/lb Cu equivalent US\$224/oz Au equivalent
DSO Production	25,000t of Cu and 39,000oz Au 34,700t of Cu equivalent 144,000oz of Au equivalent
Plant Capex	US\$161.4M (includes US\$14.8M of recoverable VAT)
Plant Pre-strip	US\$24.4M (includes US\$2.6M of recoverable VAT)
Plant Opex:	\$0.80/lb Cu equivalent \$425/oz Au equivalent
Plant Annual Production Contained Metal:	38,300t Cu equivalent 160,000oz Au equivalent

*The FS is based on a treatment rate of 1Mtpa. A treatment rate of 1.35Mtpa was also considered in an upside case. Factored indicative capital and operating cost estimates were developed for a planned throughput of 1.35 Mtpa.

DEVELOPMENT SCHEDULE

Optimized Approach to Maximize Returns at the Mabilo Project

The Mabilo Project implementation is planned to be executed in two key stages. Stage 1 is intended to minimize initial capital requirements through a DSO of an exceptionally high grade, near surface oxide portion of the Mabilo Project Resource. By utilization of existing infrastructure within easy transport of the Mabilo Project, the joint venture is able to defer the more capital intensive components of primary production. The early cash flow generated by the DSO should then also minimize any possible equity dilution in the financing of the Stage 2 Primary Production Plant.

Stage 1 will mine the oxide ore down to 30 Relative Level (95m below surface). Three main products will be produced from this oxide mining stage.

- Gold cap ore will be crushed on site and trucked to a nearby existing CIL processing plant. The plant is planned to be upgraded to 300,000tpa throughput and will likely be operated by the Mabilo Joint Venture ("MJV") personnel.
- Both oxide skarn and high-grade supergene chalcocite will be crushed on site with a plan to truck to the existing Larup Port, within 40km, for direct shipping.

Stage 2 of the operation involves processing of primary ore through a purpose-built plant on site. The Mabilo Project process plant is planned to be built in parallel with the oxide mining phase and Stage 2 permitting process. The processing plant will be a simple crush, grind, float plant with low technical risk, producing three concentrates for sale and is estimated to require approximately 15 months for construction.

Both mining stages are financially robust with the **DSO enabling start up and early generation of cash flow within 4-5 months of finalizing the DSO operating permits**. The capital expenditure required for the DSO is relatively

nominal at approximately US\$18M and is capable of generating net operating cash flow after tax in the order of US\$ 68M (based on US\$5,000/t Cu, US\$1,200/oz Au and US\$50/t Fe).

Mt. Labo is currently in the final stages of obtaining the necessary operating permits for the first stage of production with timing ultimately dependent on the regulatory processes in the Philippines. The Company is also in discussions with potential debt financiers for the project development.

THE MABILO PROJECT FEASIBILITY ECONOMICS (AFTER-TAX)
Highly Sensitive to Both a Growth in Commodity Prices and Resources

The robust feasibility results provide the foundation to grow the Mabilo Project while generating early cashflows. The Mabilo Project is highly sensitive to both a growth in commodity prices and resources. The 1.35Mtpa case project IRR escalates from 33% to 43.5%* with only a 10% increase in commodity price assumptions. The FS, compiled by Lycopodium Minerals Pty Ltd (“Lycopodium”), is based on the inputs from a number of consultants and the MJV including Lycopodium, CSA Global Pty Ltd (“CSA Global”), Orelogy Consultants Pty Ltd (“Orelogy”), Orway Mineral Consultants Pty Ltd (“Orway”), Knight Piesold Pty Ltd and Conrad Partners Limited (“Conrad Partners”).

	1 Mtpa Case	1.35Mtpa Case	10% Increase in Commodity Prices to 1.35 Mtpa	20% Increase in Commodity Prices to 1.35 Mtpa
Financial Analysis*				
IRR	26.09%	33.45%	43.62%	56.29%
NPV				
0%	US\$197M	US\$223M	US\$285M	US\$361M
5%	US\$126M	US\$156M	US\$207M	US\$269M
8%	US\$96M	US\$125M	US\$171M	US\$226M
			28% Increase	63% Increase
			33% Increase	72% Increase
			37% Increase	81% Increase
Payback for Plant (Years)	2.5	2.5	2.42	2.25

*All the economics, including calculations of equivalent estimates referred to in this announcement are based on the following commodity price assumptions: US\$5000/t Cu, US\$1200/oz Au and US\$50/t 62% Fe. The FS is based on a 1 Mtpa plant base case. Factored indicative capital and operating cost estimates were developed for a planned throughput of 1.35 Mtpa.

Separately, there remains significant upside in the Mabilo Project from both extensions to the North Mineralised Zone and Inferred Resources contained within the pit. 41% of the 3.91Mt Inferred Resource falls within the final design of the pit, representing 1.61Mt at 1.22% Cu and 1.21g/t Au that could provide near term potential to significantly grow the resource. The pit optimization study shows that an increase in shell size by 19% results in a 24% increase in undiscounted cashflows.

OVERVIEW OF PLANNED OPERATIONS
Producing 3 High Quality Concentrates Through the Plant

The FS on the construction and operation of the plant forms the basis for the life of mine plan, which incorporates both the Stage 1 mining and DSO on the oxide ore and the Stage 2 development of a processing plant for the primary ore. The primary plant will include a simple crush, grind, float facility with thickening and filtration to produce 3 high quality concentrates. The plant produces the following three (3) high-grade products:

- 27% Cu and 21g/t Au concentrate
- 3g/t Au pyrite concentrate
- 65% magnetite concentrate

The FS is based on a treatment rate of 1 Mtpa. A factored case at a treatment rate of 1.35 Mtpa was also considered by applying a factor of 7.3% to the capital costs. Given the planned operating throughput is likely based on the 1.35Mtpa case, sensitivity modeling for the 1.35 Mtpa case is shown below indicating strong operating and economic results:

	1.35Mtpa Case*	10% Increase in Commodity Prices*	20% Increase in Commodity Prices*
Oxide/DSO			
Capex	US\$17.4M		
Cu Produced	25,000 t		
Au Produced	39,000 oz		
CuEq Produced**	34,700 t		
AuEq Produced**	144,000 oz		
Net Operating Cashflow before Tax	US\$95M	US\$110M	US\$125M
Net Operating Cashflow after Tax	US\$68M	US\$78M	US\$88M
Average Costs			
Per Tonne	US\$62		
Per CuEq	US\$0.42/lb		
Per AuEq	US\$224/oz		
Primary/Plant Operation			
Capex	US\$161.37M		
	(includes US\$14.8M of recoverable VAT)		
Pre- strip for Stage 2	US\$24.37		
	(includes US\$2.6M of recoverable VAT)		
Contained Metal in Average Annual Production			
Cu	18,300 t		
Au	67,000 oz		
Fe	347,000 t		
CuEq**	38,300 t		
AuEq**	160,000 oz		
Ave Annual Net Operating Cashflow before Tax	US\$72.9M	US\$84M	US\$97M
Ave Annual Net Operating Cashflow after Tax	US\$51.8M	US\$58M	US\$67M
Average Costs			
Per Tonne	US\$54/t		
Per CuEq	US\$0.80/lb		
Per Au Eq	US\$425/oz		

Production Metrics for Stage 2			
Mining			
Pre-strip	Mt	18	
Average Mining Rate	Tpd	28,400	
Average Mine Production	Mtpa	10.4	
Total Material Mined	Mt	80.4	
Overall Strip Ratio	W:O	10	
Processing			
Daily Mill Throughput	Tpd	3,700	
Annual Mill Throughput	Tpa	1,350,000	
Production			
Average Annual Cu/Au Con Produced	Tpa	64,900	
Average Annual Pyrite Con Produced	Tpa	219,000	
Average Annual Magnetite Con Produced	Tpa	534,000	
Recoveries			
Gold Recoveries in Cu/Au Con	%	55.1	
Gold Recoveries in Pyrite Con	%	29.8	
Copper Recoveries	%	83.7	
Silver Recoveries	%	60.7	
Iron Recoveries	%	60.7	
Payables/NSR - DSO			
Gold Cap Ore	%	100	
Copper in Oxide Skarn	%	30	
Gold in Chalcocite	%	75	
Copper in Chalcocite	%	74	
Payables/NSR - Plant			
Copper in Cu/Au Concentrate	%	87	
Gold in Cu/Au Concentrate	%	91	
Gold in Pyrite Concentrate	%	50	
Silver in Cu/Au Concentrate	%	83	
Iron in Magnetite Concentrate	%	100	

*All the economics, including calculations of equivalent estimates referred to in this announcement are based on the following commodity price assumptions: US\$5000/t Cu, US\$1200/oz Au and US\$50/t 62% Fe. The FS is based on a 1 Mtpa plant base case. Factored indicative capital and operating cost estimates were developed for a planned throughput of 1.35 Mtpa.

** The Copper equivalent tonnes and gold equivalent ounces are based on the following formulas –
 $CuEq = (Cu\ produced/contained * \$5000) + (Au\ produced/contained * \$1200 + (Any\ Contained\ Fe\ metal\ produced * \$50)) / \$5000$
 $AuEq = (Cu\ produced/contained * \$5000) + (Au\ produced/contained * \$1200 + (Any\ Contained\ Fe\ metal\ produced * \$50)) / \$1200$

MINERAL RESERVES

March 2016 Mineral Reserve Estimate

The Probable Reserve represents an **equivalent gold grade for the reserves of 5.26 g/t*** (before recoveries) **containing 1.32 Moz of equivalent gold** or an **equivalent copper grade of 4.1%*** (before recoveries) **containing 316Kt of equivalent copper**.

Probable Mineral Reserve Estimate								
Ore							Waste	Strip Ratio
Class	Type	Mt	Fe %	Au g/t	Cu %	Ag g/t	Mt	
Probable	Gold Cap	0.351	40.1	3.11	0.38	3.26	77.713	10.0
	Supergene	0.104	36.5	2.20	20.7	11.9		
	Oxide Skarn	0.182	43.6	2.52	4.17	19.9		
	Fresh	7.155	45.9	1.97	1.70	8.73		
Total Probable Ore		7.792	45.5	2.04	1.95	8.79		

*The gold equivalent grade is based on the following formula –
 $AuEq = (((AuOz * \$1,200) + (CuMetal * \$5,000) + (FeMetal * \$50) + (AgOz * \$14)) / \$1,200) / Total\ ore\ tonnes$
The copper equivalent grade is based on the following formula –
 $CuEq = (((AuOz * \$1,200) + (CuMetal * \$5,000) + (FeMetal * \$50) + (AgOz * \$14)) / \$5,000) / Total\ ore\ tonnes$

The November 2015 resource estimation provided by CSA Global classified the resource for the Mabilo Project as Indicated and Inferred. Only Indicated Mineral Resources as defined in NI 43-101 were used to establish the Probable Mineral Reserves. No reserves were categorized as Proven.

Application of edge dilution and ore loss to the resource model resulted in a 4% increase in the mining model tonnages and a 5% decrease in gold, copper and silver grades. This mining model was used in all mine planning activities, including pit optimization, mine design and mine scheduling.

Mineral Reserves are quoted within specific pit designs based on indicated resources only and take into consideration the mining, processing, metallurgical, economic and infrastructure modifying factors.

CAPITAL COSTS

2-Stage Development: Overall Low Capital Costs

The capital cost estimates were derived from first principles for the 1 Mtpa process plant to an accuracy of +/- 15% and then the capital cost estimates were factored with an accuracy of +/- 25% for the 1.35 Mtpa process plant.

The capital costs for the Mabilo Project will be required in two tranches. The first tranche will be prior to oxide mining commencing. The second tranche is planned to coincide with the development and construction schedule associated with Stage 2 of the Mabilo Project.

Cost Area	Stage 1 -DSO US\$M
Direct	
Pre-Strip	3.30
Mobilisation	0.66
Site Preparation, Roads and Environment	3.65
Port	0.30
Buildings and Equipment	0.55
Mining Facilities	1.40
Upgrade Apex CIL Plant	0.71
Direct Works Subtotal	10.57
Indirect	
Land Acquisition	5.62
Contingency	1.16
Indirect Subtotal	6.78
TOTAL OXIDE MINING CAPITAL COSTS	17.35

Cost Area	Stage 2 – Primary Plant US\$M
Direct	
Treatment Plant	57.41
Infrastructure, Roads and Port	31.86
Pit Dewatering Bores	1.28
Management Costs	12.67
Direct Works Subtotal	103.22
Indirect	
Project Indirects	11.49
Owners Costs	13.21
Land Acquisition	4.60
Contingency	14.02
Value Added Tax	14.83
Indirect Subtotal	58.16
TOTAL PRIMARY PLANT CAPITAL COSTS	161.37

OPERATING COSTS

The Mabilo Project is Open Pit, High Grade & Low Cost

The operating cost estimates were derived from first principles for the 1Mtpa process plant and then plant costs were factored with an accuracy of +/- 25% for the 1.35Mtpa operating scenario. All costs are in 2015 US dollars. The mining costs were derived from IMC's Mabilo Mine Operating Cost Estimate Report, which were then reviewed by Orelogy. The costs are based on a contract mining operation with bench rates (\$/bcm), ore rehandle rates (\$/t), grade control and dump rehabilitation plus annual fixed mining overheads.

Process plant operating costs for the 1.0Mtpa FS base case were compiled from information sourced by Lycopodium and the MJV:

- Manning levels and pay rates advised by MJV to suit the proposed process plant unit operations and plant throughput.
- Consumable prices from supplier budget quotations and the Lycopodium database.
- Flotation reagent consumption and metal / concentrate recoveries based on laboratory test work results and the mining schedule.
- Modelling by Orway for crushing and grinding energy and consumables, based on ore characteristics derived from relevant test work.
- First principle estimates, where required, based on typical operating experience or standard industry practice.
- Benchmarking within the Philippines and comparison with costs at other similar operations.

Processing costs for the 1.35Mtpa upside case were then factored from the FS base case.

The process plant availability has been nominated as 91.3% for milling and downstream operations and 80% for the crushing plant including scheduled and unscheduled maintenance. The product filters will operate in a semi batch mode and a lower operating availability of 75%.

G&A costs were based on current operations in the Philippines and amended to account for the size of the operation and people employed.

	Stage 1 - DSO	Stage 2 – Primary Plant
Average Operating Costs		
Mining US\$/t mined (includes pre-strip costs)	1.57	1.49
Mining US\$/t ore (excludes pre-strip costs)	7.49	14.09
Processing US\$/t ore	41.26	32.14
G&A US\$/t ore	6.89	7.65
Total Operating Cost US\$/t ore	61.91	53.89

MINING

Mining is planned to be conducted using open pit methods. The ore is to be accessed in a series of stages. The stage designs were generated in order to enhance the scheduling process aiming to defer waste mining as much as practically possible and to bring forward higher-grade ores. Five (5) meter high benches have been used, given the scale of the operation and the equipment planned for the mining operation. A bench height of 5m mined in two 2½m flitches results in acceptable dilution and ore loss projections. A mining contractor is assumed for both pre-production and the ongoing development of the mine.

There are three distinct different loading and hauling situations that require different fleets:

- *Pioneering and Pit Development* - Pioneering and pit development will be undertaken by 100t excavators (Komatsu PC 1250) and 40t articulated 6WD trucks (Caterpillar 745).
- *Ore and Waste Mining* - The main fleet for the ore and waste mining activities consists of 100t excavators and 55t rigid haul trucks (Caterpillar 773).
- *Bulk Waste Mining* - A 200t excavator (Komatsu PC 2000) and a fleet of 90t haul trucks (Caterpillar 777) will be used to undertake waste stripping of the last two cutbacks.

Free digging is expected in all oxide materials while fresh rock materials are broken and loosened with drilling and blasting.

METALLURGY AND PROCESSING

The proposed process plant design for the Mabilo Project is based on a robust metallurgical flowsheet designed for optimum recovery with minimum operating costs, based on an initial 1Mtpa throughput, and then upgraded and optimized for a planned 1.35Mtpa throughput. The flowsheet is constructed from unit operations that are well proven in industry.

The treatment plant design incorporates the following unit process operations:

- Single stage open circuit primary crushing to produce a crushed product size of 80% passing (P80) 120 mm.
- A crushed ore surge bin with a nominal capacity of 120t. Surge bin overflow will be conveyed to a dead stockpile of 20,000 tonnes. Ore from the dead stockpile will be reclaimed by front-end loader to feed the mill during periods when the crushing circuit is off-line.
- Grinding of ore in a SAG mill circuit in closed circuit with hydrocyclones to produce a P80 grind size of 90 µm.
- Bulk sulphide flotation to recover copper sulphides and gold bearing pyrite.
- Two-stage cleaner flotation to recover copper sulphides into a copper concentrate and pyrite into a product for sale.
- Concentrate thickening and pressure filtration to produce a copper concentrate filter cake.
- Pyrite thickening and pressure filtration to produce a pyrite concentrate filter cake.
- Magnetic separation of the bulk sulphide tails to recover magnetite into concentrate.
- Concentrate thickening and pressure filtration to produce a magnetite concentrate filter cake.
- Combined tailings pumping to the tailings storage facility.

A planned flowsheet for the process is shown below.

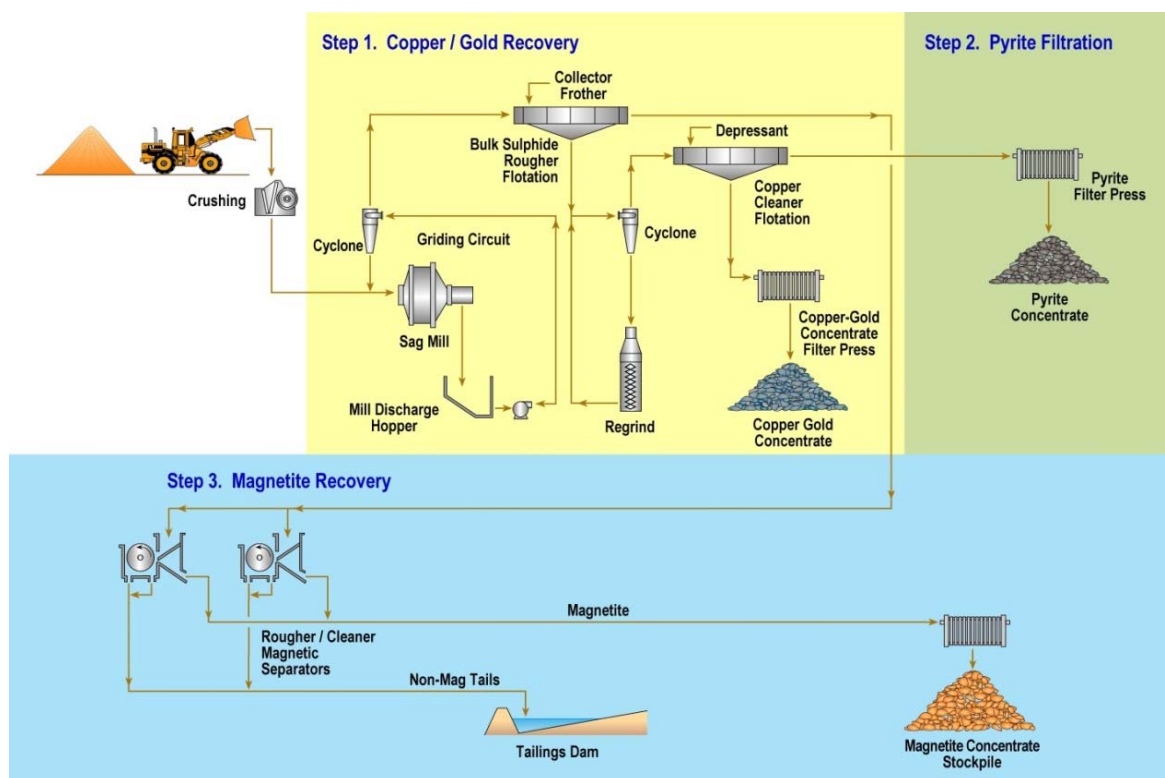


Figure 1 – Proposed Flowsheet for the Mabilo Project

Ultimately, the ability to develop and progress the plans as considered in the FS are dependent upon many factors including the ability to secure the necessary permits, working successfully with local communities and governments, securing all necessary surface rights and the support of the Philippine regulatory bodies and our partners.

MARKETING AGREEMENT & DEBT FINANCING

Underway with Positive Progress to Date

Mt. Labo has appointed Conrad Partners, based in Hong Kong, as its agent for the marketing of offtake for both Stage 1, the planned DSO and Stage 2, namely the production of three high grade concentrate products. Conrad Partners has completed a full marketing report for the FS, based on discussions with potential offtake parties and has provided the underlying assumptions used in the compilation of the Life of Mine Financial Model based on the FS results.

RTG is in discussions with a number of potential debt financiers for the Mabilo Project including both traditional bank debt, derivative instruments and notes and offtake linked facilities. The feedback and progress on the financing has been very positive to date and with the completion of the FS, the Company will be able to further advance those discussions with a view to finalizing a mandate with a preferred provider.

EP Renewal Update

The Mines and Geosciences Bureau is yet to finalise the renewal of the exploration permit at the Mabilo Project. As part of the process, the joint venture partner, Galeo has requested to be named as a co-permittee on the permit. Our advice is that Galeo is not entitled to be named under the joint venture agreement with Mt. Labo; however they are pursuing those objectives through legal action in the Philippines. Mt. Labo is currently reviewing the matter and is in discussions with Galeo.

Joint Venture

Mt. Labo has a joint venture with Philippines mining contractor and supplier, Galeo in both the Mabilo Project and the Nalesbitan Project (the “Nalesbitan Project”).

Pursuant to the terms of the unincorporated joint venture, Galeo can earn up to 42% in the Mabilo Project and the Nalesbitan Project by mining the first 1.5Mt of the pre-strip, providing management services including management of

local community relations, and funding their share of all joint venture expenditure from commencement. To date, Galeo has earned a 36% interest in the joint venture.

Nalesbitan Project

The Nalesbitan Project comprises Mining Lease Contract MRD-459 of 500 Ha and MPSA Application APSA-V-0002 of 600 Ha. The Nalesbitan Project covers a large zone of alteration in which widespread zones of epithermal gold, silver and copper mineralisation have been outlined.

The mineralisation identified to date includes both low sulphidation and high sulphidation epithermal gold veins, potentially proximal to porphyry copper at depth. Induced Polarisation chargeability anomalies, interpreted to be due to sulphides associated with porphyry copper mineralisation, have been outlined in the southern part of the alteration zone. The Nalesbitan Project system has similarities to the giant Lepanto / Far South-East copper and gold porphyry system in northern Luzon.

The current focus at the Nalesbitan Project is advancement of community relations activities.

Bunawan Project (the “Bunawan Project”)

The Bunawan Project, the Company's secondary focus in the Philippines is located in the east of Mindanao Island in Agusan del Sur province, approximately 190 km north-northeast of Davao and adjacent to the Davao – Surigao highway.

The Bunawan Project is centered on a diatreme intrusive complex (Mahunoc diatreme) approximately five km NE of Medusa Mining's Co-O mine in eastern Mindanao. Historical production at the Co-O Mine has demonstrated a significant high grade gold system and there is active artisanal mining throughout the region which further reinforces the gold potential of the area. A number of the artisanal mining operations occur within and adjacent to the Mahunoc diatreme and the area is highly prospective for the discovery of economic epithermal Au-Ag mineralisation of intermediate sulphidation / carbonate-base metal type.

Bunawan Mining Corp was able to secure the issue of the Bunawan Project exploration permit which Sierra had been working on for some period of time. Following the granting of this permit, a reconnaissance drilling programme was commenced in November 2014. At the end of 2014, nine holes had been completed for 3,074 metres. Mineralisation was intercepted in 6 of the 9 holes drilled, including 7m @ 4.18g/t Au and 4m @ 12.33g/t Au.

Work on the Bunawan Project has continued throughout the year with a focus on ground mapping and geophysical programs in the Mahunoc region. An Induced Polarization Resistivity Survey program was completed during the fourth quarter, where 45.9 line kms were covered. The Dipole-Dipole Induced Polarisation program was also completed with 7.4 line kms covered. The programs identified several targets that warrant further work. Some of the targets are coincident with previous geochemical signatures.

Currently, community development programs and Indigenous people programs continue.

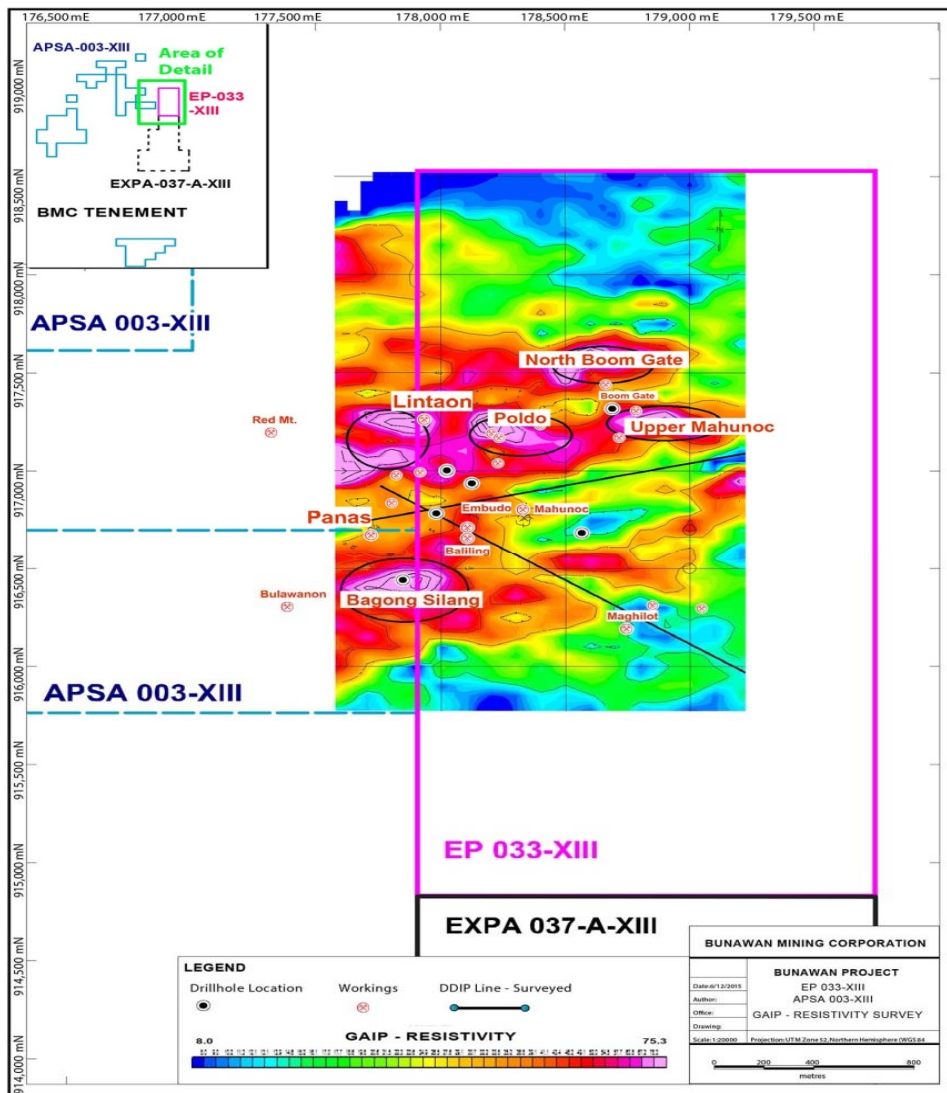


Figure 2 – Bunawan GAIP Resistivity Survey

Other Philippines Projects:

The Bahayan Project is 6,924 hectares in size and is located approximately 50km south of the Bunawan Project. The Bahayan Project area hosts several alteration and vein zones, all typical of those formed marginal to porphyry intrusions and characterized by hydrothermal alteration with quartz-sulphide style vein gold mineralization.

Work at the Bahayan Project during the year has included:

Geological mapping and sampling at Bahayan Project has indicated the potential for a copper gold porphyry prospect overprinted by epithermal gold fissure veins.

- Copper bearing areas have been identified in the quarter at the Kawayan, Tagkan, Bahayan and Alimot prospects.
- 25 rock chip samples were collected and sent to Intertek. The best assay was returned from a Bahayan River channel sample with a weighted average grade of 5m @ 1.18% Cu, 0.41 g/t Au, 30.1 g/t Ag. At Galasyo Creek, andesite lava containing disseminated native copper returned a grade of 1.5m @ 0.25 % Cu, 0.01 g/t Au. At Lando Creek a quartz vein assayed 0.2m @ 0.64% Cu and the andesite wall rocks ran 2m @ 0.23% Cu. These results are very encouraging and indicate exploration activities are in the right geological domain.

In the fourth quarter, work at the Bahayan Project included the completion of 60.2:line kms of ground magnetic survey, further geological mapping, rock chip sampling and petrographic work. The Bahayan Project continues to show potential and the ground magnetic work has highlighted a number of areas that warrant further interpretation and follow up resistivity work.

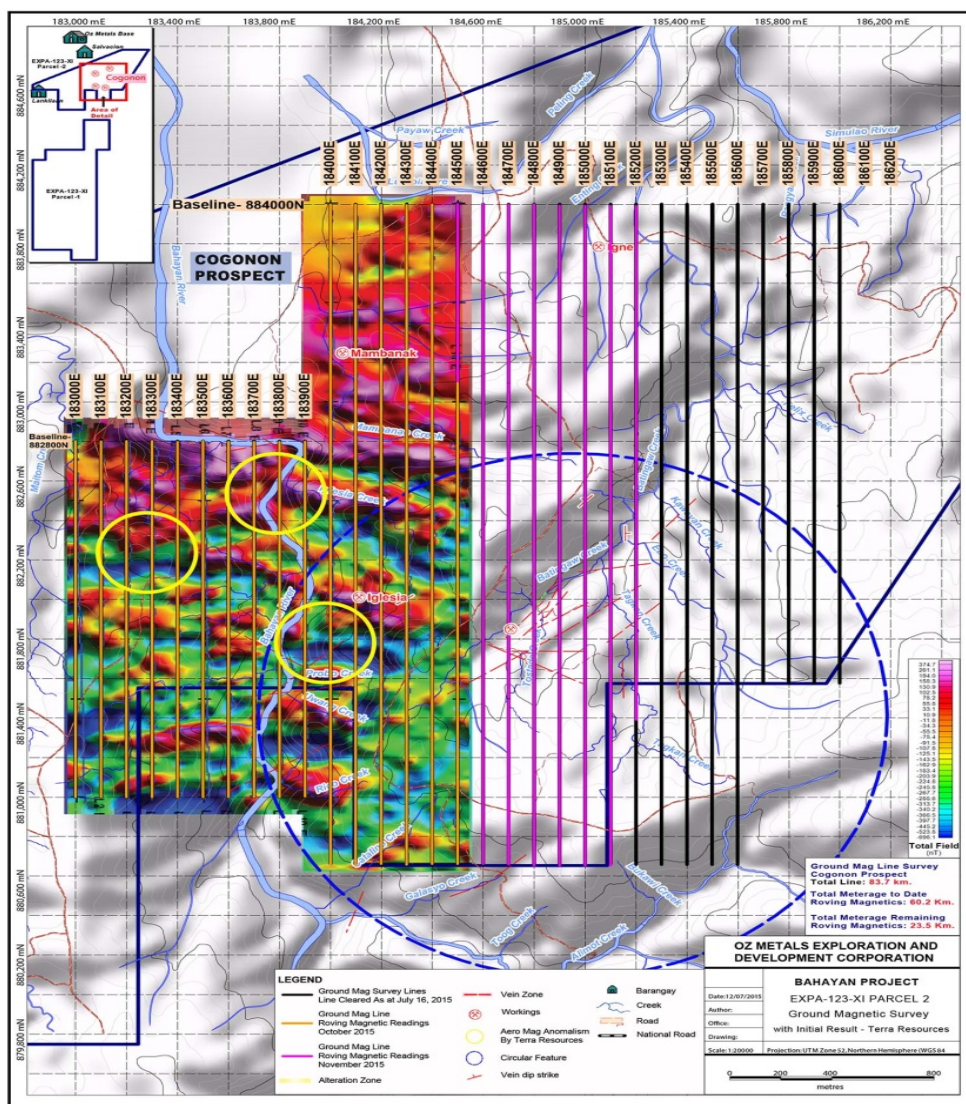


Figure 3 - Results of the Bahayan Project Ground Magnetic Survey

Mkushi Copper Project

RTG announced on August 29, 2013 that it had sold its interest in the Mkushi Copper Project for US\$13.1 million to Elephant Copper Ltd (“Elephant Copper”). Pursuant to the share sale agreement (the “Share Sale Agreement”) between Zambia Mining and Elephant Copper, Zambia Mining agreed to sell 100% of the share capital of RTG’s wholly owned subsidiary Seringa Mining Limited (“SML”), which holds the 51% interest in Mkushi Copper Joint Venture (“MCJVL”). The purchase price of US\$13.1 million was satisfied by:

1. the issue of 20 million fully paid ordinary shares at an issue price of US\$0.33 per share in Elephant Copper to Zambia Mining to the value of US\$6.6 million (“Consideration Shares”); and
2. a US\$6.5 million unsecured redeemable convertible note (“Convertible Note”).

Elephant Copper also agreed to payment of the Deferred Heap Leach payment totalling US\$1,399,064 million, before interest (“DHL Payment”). The DHL Payment represents amounts paid by Zambia Mining on behalf of Elephant Copper to MCJVL.

On October 22, 2013, the conditions precedent to the Share Sale Agreement with Elephant Copper were satisfied and the sale was completed. Elephant Copper indicated it was in the process of completing a listing on the TSX (“IPO”) through a Transaction with International Millennium Mining Corp (“IMMC”), subject to securing funding to allow the

planned development activities at the Mkushi Copper Project to proceed. Elephant Copper has now advised shareholders that it has cancelled the proposed transaction with IMMC and is considering alternative options.

The Convertible Note was repayable on or before January 1, 2015, with an exercise price for conversion equal to the lesser of US\$0.45 and 1.36 times the IPO price for shares in Elephant Copper. As Elephant Copper are now in breach of their requirements under the Convertible Note, they are now accruing interest daily on the Convertible Note from January 1, 2015 at a prescribed rate of the higher of either 7% or LIBOR plus 4%. The Convertible Note is convertible at the sole election of Zambian Mining. Under the Share Sale Agreement, if:

1. the IPO does not proceed, or proceeds at a price less than US\$0.33 per share, Zambian Mining will be entitled to additional Consideration Shares so that the total value of the Consideration Shares is US\$6.6 million; and
2. Elephant Copper enters into an alternative transaction;

then, the total consideration payable under the Share Sale Agreement is to be satisfied in cash or alternatively, Elephant Copper will be required to buy all of the Consideration Shares and any shares to be issued under the Convertible Note at a price of US\$0.33 per share. To date the Company has fully provided for the consideration to be received under the Share Sale Agreement.

Pursuant to the Share Sale Agreement, Elephant Copper undertook to complete its IPO by December 31, 2013 and repay the DHL Payment by January 1, 2014. On December 30, 2013, RTG received a letter from Elephant Copper requesting consideration of an amendment to the Share Sale Agreement to permit Elephant Copper more time to complete the IPO and repay the DHL Payment. SML issued a demand letter on January 8, 2014 demanding payment of the outstanding DHL Payment. SML has advised Elephant Copper that it fully reserves all of its rights and remedies under the Share Sale Agreement and has not agreed to any amendment. Elephant Copper is in breach of a number of its obligations and the Company is awaiting an update of a new proposal.

Segilola Gold Project

In May 2007, Segilola Gold Limited ("SGL"), a wholly owned subsidiary of RTG, entered into a joint venture with Tropical Mines Limited ("TML"), a private company based in Nigeria, to earn a 51% interest in the Segilola Gold Project in Nigeria. Ultimately there was a dispute over the full earn in of the 51% and it has been referred to Arbitration which at present has been deferred pursuant to an order from the Federal High Court of Nigeria (the "Court"). The case is currently before the Court and has been adjourned until June 1, 2016.

RTG still has in place an unconditional share sale and purchase agreement for the sale of RTG's 51% interest in the Segilola Gold Project in Nigeria (the "Segilola Sale") for approximately US\$14 million with Segilola Resources Operating Limited ("SROL"). The purchaser is yet to rectify the default of their obligations for completion, and have advised they are still seeking to remedy the default. The Segilola Sale also provides for full settlement of the related disputes in relation to the Segilola Gold Project between Ratel Group, SGL, TML, SROL, Bakrie Delano Africa Limited, NGM Resources Limited and Mr. Oladipo Delano under the terms of an agreed settlement deed (the "Settlement Deed"). This includes the settlement of the injunctive proceedings brought by SGL before the Court and the interim injunction issued against SGL by the Court dated June 18, 2012.

On the completion date of the Segilola Sale, signed counterparts of the Settlement Deed will be released from escrow and come into effect. As a result each of the injunctive proceedings is expected to be discontinued with no order as to costs and each party will bear their own costs.

RESULTS OF OPERATIONS

Change of Financial Year End

During the 2013 calendar year, RTG changed its financial year end from June 30th to December 31st, hence the December 2014 quarter is the fourth and final financial quarter for RTG's 2014 financial year.

SELECTED ANNUAL INFORMATION

(US\$000's, except per share information)

	December 31, 2015 (12 months)	December 31, 2014 (12 months)	December 31, 2013 (6 months)	June 30, 2013 (12 months)
Revenue – interest and other income	4	32	12	4
Business development	(1,135)	(1,571)	(790)	(811)
Administrative costs	(2,445)	(3,838)	(2,039)	(4,748)
Impairment expense	(3,172)	-	-	-
Exploration & evaluation expenses	(381)	-	-	-
Operational expenses	-	-	-	(1,783)
Discontinued Operations	-	-	2,216	-
Share of associate profit/(loss)	(2,097)	(1,677)	-	-
Income/(loss) from continuing operations	(9,237)	(7,441)	(881)	(8,322)
Total assets	93,457	92,467	14,798	16,194
Total liabilities	395	1,221	209	723
Working Capital	4,587	1,654	11,055	14,509
Net Assets	93,063	91,246	14,590	15,471

The Company's result for the year ended December 31, 2015 was a net loss of \$9.237M compared to the period end December 31, 2014 net loss of \$7.441M. During the current financial period the Company reviewed its investment and convertible note in Elephant Copper, and it was decided by the Risk and Audit Committee and ratified by the board of directors of RTG (the "Board") to impair these assets by \$3.172M to nil. The decision was based on a number of factors, including but not limited to, the fall in current market conditions and a lower copper price, which will potentially impact Elephant Copper's intended capital raising. Adjusting for this item the net loss for the period was \$6.066M.

In the prior full year period, the Company incurred varying costs throughout the year due to the merger with Sierra resulting in many one-time charges and the additional pickup of the Company's share of the Associate's losses.

Revenue - Interest and other income

The Company earns interest income which fluctuates depending on total and currency composition of cash balances held and short term rates. During the year, the Company earned interest of \$0.004M for the current period as compared \$0.031M for the previous 12 month period. The Company holds differing quantities and currencies of cash including Australian Dollars, Canadian Dollars and United States Dollars, which expose the Company to foreign exchange gains and losses. A foreign exchange loss of \$0.011M was recorded in the in the current period as compared to a loss of \$0.386M for the previous period. The reduction in this is in the main due to a foreign exchange gain made in April on conversion of currency, offset by usual currency (AUD/USD) fluctuations.

Share of associate profit/(loss)

Expenses for the current period were \$2.097M as compared \$1.677M for the year ended December 31, 2014. The \$2.097M reflects the Company's share of costs in relation to its Mabilo Project and other interests which has funded the following:

- o completion of the FS;
- o extensive drilling for preparation of 2 JORC and NI43-101 compliant resource statements;
- o extensive metallurgical test work and resource modelling; and
- o completion of a Philippine compliant feasibility study on the proposed DSO to fast track permitting for proposed operations.

In the prior year, a portion of the balance (\$0.821M) related to a provision for drilling costs, this has now been reflected within the associates' accounts.

RTG Mining Inc.**Management Discussion and Analysis**

For the twelve months ended December 31, 2015

Administrative expenses

The Company incurred administrative costs of \$2.445M during the current year as compared to \$3.838M during the previous period. Largely this reduction of costs relates to reduced legal and consulting fees in the current period with the merger with Sierra being finalised in the prior year (\$439k), the reallocation of some staffing costs to exploration and evaluation expenditure (\$171k) along with reduction of Perth office costs due to the strengthening of the US/AU dollar and lower salaries.

Business development expenses

The Company incurred business development expenses of \$1.135M during the current period as compared to \$1.571M during the prior year 12-month period. The decrease in costs is due to the Company's current focus on the Mabilo Project in the Philippines and its completion of the FS.

SUMMARY OF QUARTERLY RESULTS*(US\$000's, except per share information)*

	YTD 12 months to Dec 31 2015	Q4 Dec 2015	Q3 Sept 2015	Q2 June 2015	Q1 Mar 2015
Revenue	4	3	-	1	-
Net profit/(loss) Per share (undiluted US\$ cents per share)	(9,237)	(1,529)	(1,695)	(4,716)	(1,297)
Per share (diluted US\$ cents per share)	(7.09)	(1.17)	(1.31)	(3.73)	(1.08)
Per share (diluted US\$ cents per share)	(7.09)	(1.17)	(1.31)	(3.73)	(1.08)

	YTD 12 months to Dec 31 2014	Q4 Dec 2014	Q3 Sept 2014	Q2 Jun 2014	Q1 Mar 2014	YTD 6 months to Dec 31 2013	YTD 12 months to June 30 2013
Revenue	32	4	10	8	10	12	4
Net profit/(loss) Per share (undiluted US\$ cents per share)	(7,441)	(2,588)	(1,761)	(1,220)	(1,872)	(881)	(8,322)
Per share (diluted US\$ cents per share)	(9.48)	(3.30)	(3.01)	(3.17)	(0.57)	(0.27)	(4.98)
Per share (diluted US\$ cents per share)	(9.48)	(3.30)	(3.01)	(3.17)	(0.57)	(0.27)	(4.98)

LIQUIDITY AND CAPITAL RESOURCES

The Company does not have any operations that generate cash inflow at this stage. RTG's financial success relies on management's ability to find economically viable mineral deposits. This process can take many years and is largely based on factors beyond the control of RTG.

In order to finance its project exploration and development activities, and corporate overhead, the Company is dependent on investor sentiment being positive towards the exploration business, so that funds can be raised through the sale of the Company's securities.

See Financing Activities for details of the A\$15 million private placement completed earlier in the year.

Cash and financial conditions

As at December 31, 2015, the Company had cash and cash equivalents of \$4.562M compared to \$2.395M at December 31, 2014.

The Company had working capital of \$4.587M at December 31, 2015 compared to working capital of \$1.654M at December 31, 2014. The increase in working capital during the 12 month period can be attributed to the net US\$10.8M capital raising completed in April 2015, and the reversal of the drilling accrual now taken up by the Company's associates as mentioned in "Results of Operation – Share of loss of associate" section above.

The Company manages liquidity risk through maintaining sufficient cash, loan facilities or credit terms with its suppliers to meet the operating requirements of the business and investing excess funds in highly liquid short term cash deposits. The Company's liquidity needs can likely be met through existing cash on hand, subject to current operating parameters and budgets being met.

The Company currently has in place an active program of financial forecasting and budgeting both at a corporate and project level to manage both the application of funds and planning for future financial needs to ensure that any shortfall in revenue funds is adequately covered by cash reserves or planned new sources being either debt or equity based on the then most cost effective weighted average cost of capital. Expenditure to date for the Company has been largely in line with the overall initial budget forecasts, save for any costs related to legal disputes.

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposures to credit risk at the reporting date in relation to each class of financial asset is the carrying amounts of those assets as indicated in the Company's balance sheet.

Investing activities

The Company recognised net investing cash outflows of \$4.647M for the twelve months ended December 31, 2015, compared to \$2.773M for the comparative periods in 2014. These outflows have come about in the main due to loans extended to the Company's associates for its share of project related costs in the Philippines. On June 4, 2014, RTG completed the implementation of the Schemes to acquire the outstanding securities of Sierra. Pursuant to the Schemes, RTG has acquired a 40% interest in each of the Associates.

The loan movements for the current year have funded a share of the costs associated with the following:

- completion of the FS;
- extensive drilling for preparation of 2 JORC and NI43-101 compliant resource statements;
- extensive metallurgical test work and resource modelling; and
- completion of a Philippine compliant feasibility study on the proposed DSO to fast track permitting for proposed operations.

Financing activities

The Company announced an A\$15M private placement (the "Placement") on February 6, 2015. During the first quarter the Company successfully completed the issue of 16.79M shares at A\$0.68 cents per share for net proceeds of circa A\$10.4M (US\$8.1M) as part of Tranche 1. In addition during this first quarter, 5.49M shares at A\$0.68 cents were issued, these were subject to shareholder approval as part of Tranche 2 of the Placement. Shareholder approval was received on April 10, 2015 with the net receipt of A\$3.5M (US\$2.7M) in Tranche 2 funds and the issue of additional shares occurring on April 16, 2015.

Proceeds of the above placement were used to:

- fund permitting and development of the Mabilo Project;
- fund exploration at the Bunawan Project; and
- for general working capital purposes.

SECURITIES OUTSTANDING

As at the date of this report, the Company had 8,784,687 options on issue. The total outstanding capital of the Company as at the date of this report was 134,252,237 fully paid common shares. The options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

FUTURE OUTLOOK

The FS on the Mabilo Project was completed in March 2016. Work will continue advancing the Project through progressing the necessary permits and preparation work for the oxide mining phase. Environmental monitoring and community development programs will also continue.

The first phase of geophysics at the Bunawan Project and the Buhayan Project was completed in December 2015. The programs identified several interesting targets and further analysis of the results will continue during 2016 along with follow up field work. The Indigenous People programs will continue throughout the year.

OFF-BALANCE SHEET ARRANGEMENTS

At the date of this report, the Company had no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers and directors as follows for the years ended December 31, 2015 and 2014:

Name	Nature of transactions
Coverley Management Services Pty Ltd	Consulting as Director

The Company paid the following fees in the normal course of operation in connection with companies owned by directors.

	Twelve months ended December 31,	
	2015	2014
Directors fees	53,085	53,238
Total	53,085	53,238

During the year ended December 31, 2015, the Group entered into transactions with Associates:

- loans of \$4,630,125 were advanced on to the Associates.

These transactions were undertaken on the following terms and conditions:

- loans are repayable at call; and
- no interest is payable on the loans at present.

The business purpose of these loans is to pay for the Company's share of project related costs in the Philippines as described under Investing Activities above.

FOURTH QUARTER

The Company recorded a net loss of \$1.535M for the current quarter, as compared to a net loss of \$1.761M in the third quarter of 2014. The Group's focus during the fourth quarter remained on finalising the updated Mineral Resource, which as was announced in November 2015 and the FS.

RTG Mining Inc.
Management Discussion and Analysis
For the twelve months ended December 31, 2015

As at December 31, 2015, the Company had cash and liquid assets of on hand and at bank of \$4,561,717.

Consolidated Results
(US\$000's, except per share information)
Profit and Loss

	Three month period ended			Year to Date
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015
Revenue	2	-	4	4
Income/(loss) from continuing operations	(1,529)	(1,695)	(2,588)	(9,238)
Administration expenses	(762)	(567)	(893)	(2,445)
Business development costs	(241)	(217)	(397)	(1,135)
Impairment expense	-	-	-	(3,172)
Share of loss of associate	(415)	(610)	(1,237)	(2,097)
Basic profit/(loss) per share	(1.17)	(1.31)	(1.19)	(7.08)

The Company's result for the three months to December 31, 2015 was a net loss of \$1.529M, as compared to a net loss of \$1.695M for the previous quarter, and a net loss of \$2.588M for the fourth quarter of 2014. Commentary regarding the fourth quarter of 2015 result is outlined below.

Revenue - interest and other income

The Company earns interest income which fluctuates depending on total and currency composition of cash balances held and short term rates. During the current quarter, the Company earned interest income of \$0.002M compared to nil for the third quarter of 2015 and \$0.004M for the fourth quarter of 2014. A foreign exchange gain of \$0.025M was recorded in the current quarter, compared to a foreign exchange loss of \$0.197M in the third quarter of 2015 and a loss of \$0.063M in the fourth quarter of 2014.

Expenses

Total expenses for the fourth quarter of 2015 were \$1.531M as compared to \$1.695M for the third quarter of 2015, and \$2.592M for the fourth quarter of 2014.

Specific items discussed below:

Administrative expenses

The Company incurred administrative costs of \$0.762M in the fourth quarter of 2015, as compared to \$0.567M in the third quarter of 2015 and \$0.893M during the fourth quarter of 2014. The increase in the current period is in the main as a result of increased accounting fees.

Business development expenditure

The Company incurred business development expenses of \$0.241M in the current quarter as compared to \$0.217M in the previous quarter and \$0.397M in the fourth quarter of 2014. The decreased costs are a direct result of the Company's focus on the Mabilo Project, and the completion of the FS.

Share of loss of associate

In the fourth quarter of 2015, the Company has recognised a loss of \$0.415 M for its share of its associate's losses, as compared to \$0.610M in the previous quarter and \$1.238M in the same quarter the previous year. These losses are generated from the Philippine entities acquired from the merger with Sierra, and are a function of exploration and development activity, including 2 JORC and NI 43-101 compliant resource statements at the Mabilo Project, along with preparation of a feasibility study related to the planned oxide mining operation and drilling the previous year at the Bunawan Project since grant of its exploration permit.

Contractual obligations

Contractual obligations	Total	Payments due by period			
		Less than 1 year	1-3 years	4-5 years	More than 5 years
Operating leases ¹	103,275	103,275	-	-	-
Total contractual obligations	103,275	103,275	-	-	-

¹ Corporate office lease payments due.

CRITICAL ACCOUNTING ESTIMATES

The significant accounting policies used by RTG are disclosed in Note 1 to the annual financial statements for the year ended December 31, 2015. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on a regular basis. The emergence of new information and changed circumstances may result in actual results or changes to estimated amounts that differ materially from current estimates.

Accounting Policies

The Group's consolidated financial report as at December 31, 2015 complies with IFRS as issued by the International Accounting Standards Board. The accounting policies of the Group are set out in Note 1 to the December 31, 2015 Annual Financial Statements, available on www.sedar.com.

Income Taxes

The determination of income and other tax liabilities requires interpretation of complex laws and regulations. All tax filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax liability may differ from that estimated and recorded by management.

Financial instruments and related risks

The Group's principal financial instruments comprise cash and cash equivalents, receivables, payables and borrowings. The Company currently has in place an active program of financial forecasting and budgeting both at a corporate and project level to manage both the application of funds and planning for future financial needs to ensure that any shortfall in funds is adequately covered by cash reserves or planned new sources being either debt or equity based on the then most cost effective weighted average cost of capital.

Risk management is carried out by management and the Board under policies approved by the Board. The Board also provides regular guidance for overall risk management, including guidance on specific areas, such as mitigating foreign exchange, interest rate and credit risk.

The Group does not enter into financial instruments, including derivative financial instruments, for trade or speculative purposes.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for trading in derivatives, credit limits and future cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial asset, financial liability and equity instrument are disclosed in Note 2 to the Annual Financial Statements.

Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the Annual Financial Statements.

Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposures to credit risk at the reporting date in relation to each class of financial asset is the carrying amounts of those assets as indicated in the statement of financial position. Receivable balances are monitored on an ongoing basis and to the extent that recovery is deemed to be uncertain the Company raises a provision or impairs the asset against expected recovery. To date the only receivable provided for has been the Elephant Copper receivable of \$1.4M which has been fully provided for to date.

RTG Mining Inc.
Management Discussion and Analysis
For the twelve months ended December 31, 2015

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The Group monitors this credit risk through holding its cash through banks with a Standard and Poors credit rating of 'A' or greater. The credit risk associated with cash is considered negligible by the Group. The Group does not hold collateral as security.

At balance date, the Group's maximum exposure to interest rate risk is as follows:

	December 31, 2015 US\$	December 31, 2014 US\$
Cash and cash equivalents		
US\$ balances held	-	-
AU\$ balances held	820,355	1,011,824
CAD\$ balances held	-	-
	820,355	1,011,824

The Group constantly analyses its interest rate exposure. Consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

The Group's policy is to manage its exposure to interest rate risk by holding cash in short term fixed rate deposits and variable rate deposits. The Group's exposure to interest rate risk on post-tax profit or loss arises from higher or lower interest income from cash and cash equivalents.

Foreign currency risk

At reporting date, the Group had the following exposure to foreign currencies (AUD), (EUR) and (CAD) on financial instruments that are not designated as cash flow hedges:

	December 31, 2015 US\$	December 31, 2014 US\$
Financial Assets		
Cash and cash equivalents	1,231,040	1,153,502
Trade and other receivables	138,074	231,401
Prepayments	42,138	29,741
	1,411,252	1,414,644
Financial Liabilities		
Trade and other payables	246,886	97,982
	246,886	97,982
Net exposure	1,164,366	1,316,652

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will maintain sufficient cash or credit terms with its suppliers to meet the operating requirements of the business and invest excess funds in highly liquid short term cash deposits. Maintaining surplus working capital in highly liquid short term deposits allows the Group to meet its primary objectives by being able to fund new development and acquisition opportunities at short notice.

The responsibility for liquidity risk rests with the Board. The Group's liquidity needs can likely be met through cash on hand, and short term facilities subject to the current forecast operating parameters being met.

The contractual maturities of the Group's financial liabilities are as follows:

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	December 31, 2015 US\$	December 31, 2014 US\$
Within one month		
Trade creditors	252,537	105,466
One Month or later and no later than one year		
Trade creditors	-	274,439
	252,537	379,905

Sensitivity Analysis

The following table summarises the sensitivity of the Group's financial assets and liabilities to interest rate risk and foreign exchange rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post-tax profit and equity would have been affected as shown.

Consolidated December 31, 2015	Carrying Amount \$	Interest rate risk				Foreign exchange risk			
		Negative movement		Positive movement		Negative movement		Positive movement	
Financial assets		Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Cash and cash equivalents									
USD	3,330,702	-	-	-	-	-	-	-	-
AUD	820,355	(8,203)	(8,203)	8,203	8,203	(82,035)	(82,035)	82,035	82,035
CAD	396,328	-	-	-	-	(39,632)	(39,632)	39,632	39,632
EUR	14,332	-	-	-	-	(1,433)	(1,433)	1,433	1,433

1.The sensitivities show the net effect of a 10% movement in the USD against the AUD, CAD, EUR, NGN, and ZMK. Sensitivity rates have been based on 12 month averages.

2.The sensitivities show the net effect of a 1% movement in AUD and USD interest rates, respectively. Sensitivity rates have been based on 12 month averages.

Consolidated December 31, 2014	Carrying Amount \$	Interest rate risk				Foreign exchange risk			
		Negative movement		Positive movement		Negative movement		Positive movement	
Financial assets		Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Cash and cash equivalents									
USD	1,241,472	(12,409)	(12,409)	12,409	12,409	-	-	-	-
AUD	1,011,824	(1,637)	(1,637)	1,637	1,637	(101,182)	(101,182)	101,182	101,182
CAD	108,462	-	-	-	-	(10,846)	(10,846)	10,846	10,846
EUR	33,216	-	-	-	-	(3,322)	(3,322)	3,322	3,322

1.The sensitivities show the net effect of a 10% movement in the USD against the AUD, CAD, EUR and NGN. Sensitivity rates have been based on 12 month averages.

2.The sensitivities show the net effect of a 1% movement in AUD and USD interest rates, respectively. Sensitivity rates have been based on 12 month averages.

Capital risk management

The Group's total capital is defined as equity attributable to equity holders of the parent and cash and cash equivalents amounted to \$ 129,270,578 at December 31, 2015 (December 31, 2014:\$ 116,295,115).

The Group's capital management objectives are to safeguard the business as a going concern, to maintain a capital base sufficient to maintain future exploration and development of its projects. Management may issue more shares or raise or repay debt in order to maintain the optimal capital structure.

The Group does not have a target debt/equity ratio, but maintains a flexible financing structure so as to be able to take advantage of new investment opportunities that may arise. The Group monitors its capital risk management through annual cash flow projections and monthly reporting against budget.

The business of RTG should be considered speculative given the volatility in world stock markets (particularly with respect to mining and exploration companies) and the uncertain nature of mining and exploration activities generally. Amongst other things, the following are some of the key risk factors faced by RTG, its subsidiaries and associates:

- foreign exchange movements;
- movements in commodity prices (in particular gold, copper and iron ore prices and costs of production);
- securing offtake agreements for non-gold products;
- access to new capital (both debt and equity) and meeting liquidity requirements;
- the uncertain nature of exploration and development activities;
- increases in capital expenditures necessary to advance the Company's projects;
- the ability to profitably exploit new development projects;
- political, security and sovereign risks of Nigeria and the Philippines;
- joint venture relationships and disputes;
- permitting and local government and community support; and
- environmental obligations.

For further information on these and other risks inherent in the Company's business, we direct readers to the AIF for the December 31, 2015 financial year lodged on SEDAR at www.sedar.ca.

SUBSEQUENT EVENTS

The Company announced on March 18, 2016 the results from an independent FS for 100% of the high grade Mabilo Project in southeast Luzon, Philippines. The FS demonstrates the potential for the Mabilo Project to outperform, specifically reinforcing the resilience of the Mabilo Project despite current commodity prices. The Mabilo Project is both high grade and low cost underpinning the robust economics presented in the FS including a 33% IRR after tax (43.6% with only a 10% lift in commodity prices) and an equivalent operating cost of US\$0.80/lb copper equivalent or US\$425/oz gold equivalent for concentrate production.

INTERNAL CONTROLS AND DISCLOSURE CONTROLS

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for the design and effectiveness of internal controls over financial reporting (as such term is defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109")), to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with IFRS. The Company maintains an effective control environment and has used the Internal Control – Integrated Framework (COSO Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission to design the Company's internal controls over financial reporting. The Company's CEO and CFO believe that the Company's internal controls and procedures are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

During the year ended December 31, 2015, there have been no changes in the Company's policies and procedures and other processes that comprise its internal control over financial reporting, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

The Company's CEO and CFO are also responsible for the design and effectiveness of disclosure controls and procedures (as such term is defined in NI 52-109) to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's CEO and CFO believe that the Company's disclosure controls and procedures are effective in providing reasonable assurance that information required to be disclosed under applicable securities legislation is recorded, processed, summarized and reported in a timely manner.

The Company's CEO and CFO have each evaluated the effectiveness of the Company's internal controls over financial reporting and disclosure controls and procedures as of December 31, 2015 and have concluded that these controls and procedures are effective in reasonably assuring the reliability of financial reporting and that material information relating to the Company is made known to them by others within the Company and that such controls and procedures have no material weaknesses and no limits on the scope of their design.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward looking statements within the meaning of applicable securities laws including, among others, statements made or implied relating to the Company's objectives, strategies to achieve those objectives, the Company's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward looking statements generally can be identified by words such as "objective", "may", "will", "expect", "likely", "intend", "estimate", "anticipate", "believe", "should", "plans" or similar expressions suggesting future outcomes or events. Such forward looking statements are not guarantees of future performance and reflect the Company's current beliefs based on information currently available to management. Such statements involve estimates and assumptions that are subject to a number of known and unknown risks, uncertainties and other factors inherent in the business of the Company and the risk factors discussed in the AIF and other materials filed with the securities regulatory authorities from time to time which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Those risks and uncertainties include, but are not limited to: the mining industry (including operational risks; risks in exploration and development; the uncertainties involved in the discovery and delineation of mineral deposits, resources or reserves; and the uncertainty of mineral resource and mineral reserve estimates); the risk of gold, copper and other commodity price and foreign exchange rate fluctuations; the ability of the Company to fund the capital and operating expenses necessary to achieve the business objectives of the Company; the uncertainty associated with commercial negotiations and negotiating with foreign governments; the risks associated with international business activities; risks related to operating in Nigeria, the Philippines and other international jurisdictions; environmental risk; the dependence on key personnel; joint venture relationships and the ability to access capital markets.

Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date the statements were made and readers are advised to consider such forward looking statements in light of the risks set forth above. Except as required by applicable securities laws, the Company assumes no obligation to update or revise any forward looking statements to reflect new information or the occurrence of future events or circumstances.

The information in this MD&A relating to the Bunawan Project exploration results, mineral resources or ore reserves is based on information provided to Mr. Robert McLean by RTG. Mr. McLean is an independent consultant geologist and is a corporate member of the Australian Institute of Mining and Metallurgy. Mr. McLean has the relevant qualifications, experience, competence and independence to qualify as an "Expert" under the definitions provided in the Valmin Code, "Competent Person" as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, and as a "Qualified Person" under NI 43-101. Mr. McLean consents to the inclusion in the MD&A of the matters based on the information he has been provided and the context in which it appears.

The information in this MD&A that relates to exploration results at the Mabilo Project is based upon information prepared by or under the supervision of Robert Ayres BSc (Hons), who is a Qualified Person and a Competent Person. Mr. Ayres is a member of the Australian Institute of Geoscientists and a full-time employee of Mt. Labo, a Philippine mining company, an associate company of RTG Mining Limited. Mr. Ayres has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under NI 43-101. Mr. Ayres has verified the data disclosed in this MD&A, including sampling, analytical and test data underlying the information contained in the MD&A. Mr. Ayres consents to the inclusion in the MD&A of the matters based on his information in the form and the context in which it appears.

The information in this MD&A that relates to Mineral Resources is based on information prepared by or under the supervision of Mr. Aaron Green, who is a Qualified Person and Competent Person. Mr. Green is a Member of the Australian Institute of Geoscientists and is employed by CSA Global, an independent consulting company. Mr. Green has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under NI 43-101. Mr. Green has verified the data disclosed in this MD&A, including sampling, analytical and test data underlying the information contained in the MD&A. Mr. Green consents to the inclusion in the MD&A of the matters based on his information in the form and context in which it appears.

The information in this MD&A that relates to Mineral Reserves and Mining is based on information prepared by or under the supervision of Mr. Carel Moormann, who is a Qualified Person and Competent Person. Mr. Moormann is a Fellow of the AusIMM and is employed by Orelogy, an independent consulting company. Mr. Moormann has sufficient experience that is relevant to the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under NI 43-101. Mr. Moormann has verified the data disclosed in this MD&A, including sampling, analytical and test data underlying the information contained in the MD&A. Mr. Moormann consents to the inclusion in the MD&A of the matters based on his information in the form and context in which it appears.

The information in this MD&A that relates to Metallurgy and Processing is based on information prepared by or under the supervision of David Gordon, who is a Qualified Person and Competent Person. David Gordon is a Member of the Australasian Institute of Mining and Metallurgy and is employed by Lycopodium, an independent consulting company. David Gordon has sufficient experience that is relevant to the type of process under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under NI 43-101. David Gordon has verified the data disclosed in this MD&A, including sampling, analytical and test data underlying the information contained in the MD&A. David Gordon consents to the inclusion in the MD&A of the matters based on his information in the form and context in which it appears.

The information in this MD&A that relates to areas outside of exploration results, Mineral Resources, Mineral Reserves and Metallurgy and Processing is based on information prepared by or under the supervision of Mark Turner, who is a Qualified Person and Competent Person. Mark Turner is a Fellow of the Australasian Institute of Mining and Metallurgy and is employed by RTG. Mark Turner has sufficient experience that is relevant to the information under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under NI 43-101. Mark Turner has verified the data disclosed in this MD&A. Mark Turner consents to the inclusion in the MD&A of the matters based on his information in the form and context in which it appears.

➤ Financial Statements





Annual Financial Report

31 DECEMBER 2015

**(Financial Information for 12 month period to 31
December 2015 and 31 December 2014)**

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CORPORATE DIRECTORY

DIRECTORS:

Michael J Carrick (Chairman)
Justine A Magee
David A T Cruse
Robert N Scott
Phil C Lockyer

SECRETARY:

Nicholas Day (Appointed: 21 January 2015)
Ryan P Gurner (Appointed: 9 Sept 2014, Resigned: 21 January 2015)

REGISTERED AND PRINCIPAL OFFICE:

Level 2
338 Barker Road,
Subiaco WA 6000

Telephone: +61 8 6489 2900
Facsimile: +61 8 6489 2920

BANKERS:

Westpac Banking Corporation
130 Rokeby Road
Subiaco WA 6008

AUDITORS:

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

SHARE REGISTER:

Australian Register
Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
Perth WA 6000

Telephone: 1300 850 505 or + 61 8 9323 2000
Facsimile: + 61 8 9323 2033

Canadian Register
Computershare Investor Services Inc
100 University Ave, 11th Floor
Toronto Ontario M5J2Y1
Canada

Telephone: +1 416 263 9449
Facsimile: +1 416 981 9800

STOCK EXCHANGE:

Australian Securities Exchange Limited
Exchange Code:
RTG – Chess Depositary Interests (CDI's)

Toronto Stock Exchange Inc
Exchange Code:
RTG – Fully paid shares

CORPORATE DIRECTORY cont.

LAWYERS:

Corrs Chambers Westgarth
Level 15
Woodside Plaza
240 St Georges Terrace
Perth WA 6000

Blakes, Cassels & Graydon
Suite 2600
3 Bentall Centre
59 Burrard Street
Vancouver, B.C. Canada
V7X 1L3

K & L Gates
Level 32
44 St Georges Terrace
Perth WA 6000

WEBSITE:

www.rtgmining.com

DIRECTORS' REPORT

The Directors of RTG Mining Inc. ("the Company" or "RTG") present their report on the consolidated entity consisting of RTG and the entities it controlled during the year ended December 31, 2015 (the "Consolidated Entity" or "the Group"). The Company's functional and presentation currency is USD (\$).

A description of the Company's operations and its principal activities is included on page 8.

1. DIRECTORS AND COMPANY SECRETARY

The names, qualifications and experience of the Directors and Company Secretary in office during the period and until the date of this report are as follows:

Name	Position	Appointment date
Michael J Carrick	Chairman	28/3/2013
Justine A Magee	Managing Director	28/3/2013
Robert N Scott	Non-Executive Lead Director	28/3/2013
Phil C Lockyer	Non-Executive Director	28/3/2013
David A Cruse	Non-Executive Director	28/3/2013

Current Directors

Michael J Carrick (B.Comm, B. Acc, ACA) Chairman

Mr Michael Joseph Carrick joined RTG Mining Inc's Board of Directors in March 2013. Mr. Carrick, served as CEO of CGA Mining Limited, until the merger with B2Gold Corp. ("B2Gold") in January 2013. CGA developed the Masbate Gold Mine in the Philippines.

Mr. Carrick was previously Executive Chairman of AGR Limited, the entity which owned and developed the Boroo Gold Project in Mongolia, and before that was Chief Executive Officer of Resolute Limited.

Before entering the mining industry Mr. Carrick was a senior partner in one of the largest professional services firms.

During the three year period to the end of the financial year, Mr Carrick was a director of CGA Mining Limited ("CGA") (from January 2004 to January 2013) and non-executive director of B2 Gold from the merger with CGA in January 2013, resigning on 12 November 2014.

Mr. Carrick is member of the Remuneration and Nomination Committee.

Justine A Magee (B.Comm, ACA) President and Chief Executive Officer

Ms Magee was appointed the Chief Executive Officer of the Company in March 2013 and does not hold directorships in any other listed company. She was formerly with Arthur Andersen and a director of AGR Limited and director and Chief Financial Officer of CGA (January 2004 to January 2013).

She has extensive experience in the resource sector also having headed the corporate and finance areas for Resolute Limited for 6 years.

During the three year period to the end of the financial year, Ms Magee was a director of CGA Mining Limited (from January 2004 to January 2013).

Ms Magee's principal responsibilities are commercial with a focus on the development of the existing asset portfolio and execution of new business opportunities in the resources sector while also managing the key stakeholder relationships.

Robert N Scott
Non-Executive Lead Director

Mr Scott was appointed a Non-Executive Director of the Company in March 2013. He is a Fellow of the Institute of Chartered Accountants in Australia with over 35 years' experience as a corporate advisor. Mr Scott is a former senior partner of the international accounting firms of KPMG and Arthur Andersen. Mr Scott currently holds directorships on Sandfire Resources NL (July 2010-present), TFS Properties Ltd (December 2015 - present), Lonestar Resources Limited (1996-present) and Homeloans Limited (Nov 2000-present).

During the three year period to the end of the financial year, Mr Scott was a director of CGA Mining Limited (resigned January 2013), Manas Resources Limited (resigned March 2013) and Neptune Marine Services (resigned March 2013).

Mr Scott is the chair of the RTG Mining Inc. Risk & Audit and Disclosure Committees, and the Remuneration and Nomination Committee, and was appointed Lead Director on 30 October 2015.

Phil C Lockyer
Non-Executive Director

Mr Lockyer was appointed a Non-Executive Director of the Company in March 2013. He is a Mining Engineer and Metallurgist with more than 40 years experience in the mining industry, with an emphasis on gold and nickel, in both underground and open pit mining operations.

Mr Lockyer was employed by WMC Resources for 20 years reaching the position of General Manager of Western Australia responsible for that company's gold and nickel divisions. Mr Lockyer holds a directorship on Swick Mining Services Limited (Feb 2008-present) and Western Desert Resources Limited (June 2010-present).

During the three year period to the end of the financial year, Mr Lockyer was a director of CGA Mining Limited (resigned January 2013), St Barbara Limited (resigned March 2014) and Focus Minerals Limited (resigned November 2013).

Mr Lockyer is a member of the Risk & Audit and Disclosure Committees.

David A Cruse
Non-Executive Director

Mr Cruse was appointed a Non-Executive Director of the Company in March 2013. He has had a long career in commerce and finance. He was a stockbroker for over 20 years, where he held senior management positions and directorships in the stockbroking industry, with particular focus on capital markets. Recently, Mr Cruse has been involved in the identification and commercialisation of a number of resource (including oil and gas) projects. He holds a directorship on Odyssey Energy Limited (Oct 2008-present).

During the three year period to the end of the financial year, Mr Cruse was a director of CGA Mining Limited (resigned January 2013).

Mr Cruse is a member of the Risk & Audit, Disclosure Committees and the Remuneration and Nomination Committee.

Nicholas F Day (B.Comm, ACPA, Fellow FINSIA, MBA)
Chief Financial Officer and Company Secretary

Mr Day has more than 16 years' experience in finance and the resources industry. He has extensive experience in strategic planning, business development, mergers and acquisitions, bankable feasibility studies, and project development. Previously Mr Day was Director, CFO and Company Secretary of Coventry Resources Inc. He has also held Company Secretary and Financial Consultancy positions with Paringa Resources Limited; Black Range Minerals; Birimiam Gold; Ebooks.com; and was CFO and Company Secretary of Antaria and AIM & ASX listed mining company Albidon Ltd.

Mr Day was appointed by the Board on 21 January 2015.

Ryan P Gurner (B.Comm, ACA)
Chief Financial Officer/Company Secretary

Mr Gurner is a Chartered Accountant with over 10 years' experience in financial management and governance having previously held senior finance positions in both Australian and international resources companies. He was formerly a manager at a Big 4 accounting firm and holds both a Bachelor of Commerce and Bachelor of Science (hons).

Mr Gurner resigned 21 January 2015 to pursue other interests.

2. DIRECTORS' INTERESTS

The relevant interest of each Director in the shares and options over such instruments issued by the companies within the Group and other related bodies corporate, as notified by Directors to the Australian Stock Exchange in accordance with s205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Director	Interest in Securities at the date of this report	
	Shares ⁽¹⁾	Listed Options
Current Directors		
Michael J Carrick	527,734	-
Justine A Magee	345,404	-
David A Cruse	894,280	73,082
Phil C Lockyer	65,385	-
Robert N Scott	80,770	-

Notes

⁽¹⁾ "Shares" means fully paid shares in the capital of the Company.

3. CORPORATE INFORMATION

RTG was incorporated on 27 December 2012 and is domiciled in the British Virgin Islands. The Company's registered address is Sea Meadow House, Blackburne Highway. (PO Box 116) Road Town, Tortola, British Virgin Islands. Its shares are publicly traded on both the Australian Stock Exchange ("ASX") and the Toronto Stock Exchange ("TSX"). On 28 March 2013, Ratel Group and RTG completed the merger (the "Merger") of Ratel Group and Ratel Merger Ltd., a wholly-owned subsidiary of RTG. As a result, the surviving corporation formed by the Merger became a wholly-owned subsidiary of RTG.

On 15 April 2013 the restructuring transaction was fully completed along with the satisfaction of the escrow release conditions pursuant to the private placement (the "Private Placement") of 162,538,641 subscription receipts of RTG at C\$0.13 each, raising gross proceeds in the order of C\$21.1M. As a result, the previously issued shares of Ratel Group (the "Ratel Shares") were exchanged for shares of RTG (the "RTG Shares") the surviving corporation formed by the Merger became a wholly-owned subsidiary of RTG; and the 162,538,641 previously issued subscription receipts were automatically converted (for no additional consideration) into 162,538,641 RTG Shares and the gross proceeds of the Private Placement, less the commission paid to Haywood Securities Inc. as agent under the Private Placement and less the fees paid to the subscription receipt agent under the Private Placement, were released to RTG. The RTG Shares began trading on the TSX under the former symbol for the Ratel Shares, "RTG", effective as of the open of markets on April 15, 2013.

The principal activity of the Consolidated Entity during the course of the year was mineral exploration and development. There have been no significant changes in the nature of principal activities of the Consolidated Entity during the year other than as disclosed in the "Significant Changes in the State of Affairs" section of the Directors Report.

4. CORPORATE GOVERNANCE STATEMENT

The Company's 2015 Corporate Governance Statement has been released as a separate document and is located in the Corporate Governance section of the RTG Mining website. (www.rtgmining.com)

5. MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the financial year ended 31 December 2015 and the number of meetings attended by each Director. There were three committees of directors in existence during the financial year, these being, the Audit Committee, Remuneration and Nomination Committee and the Disclosure Committee. We refer you to our Corporate Governance section at the end of the director's report for more information.

	Committee Meetings			
	Directors Meetings	Audit	Remuneration & Nomination	Disclosure
Number of Meetings Held	3	4	1	3
Number of Meetings Attended				
Michael J Carrick	3	n/a	1	n/a
Justine A Magee	3	n/a	n/a	n/a
Robert N Scott	3	4	1	3
Phil C Lockyer	3	4	1*	3
David A Cruse	3	4	1	3

*Mr Lockyer invited by invitation.

6. PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the course of the year was mineral exploration and development. At the date of this report the Company's main projects are the Mabilo and Bunawan Projects in the Philippines.

7. EMPLOYEES

	2015	2014
The number of full time equivalent people employed by the Consolidated Entity at 31 December 2015 (including consultants).	6	5

8. REVIEW OF OPERATIONS AND RESULTS

During the year the Company's main focus was the completion of the Feasibility Study ("FS") for both Stage 1 (the proposed Direct Shipping Operation "DSO") and Stage 2 (completion of plant to produce a number of high grade concentrate products) at the Mabilo Project. The Company also undertook extensive drilling and prepared two JORC and NI43-101 compliant resource statements. A strategy was identified for an early start up that will allow early cash-flow and nominal capital expenditure requirements.

The December Quarter focused on finalising the updated Mineral Resource, which was announced in December, advancing the FS and progressing the oxide mining permit application.

Initial expectations for completion of the FS were late in fourth quarter 2015, however additional test work and assaying was required to finalise the metallurgical report. The timing of the proposed startup of the Stage 1 DSO will not be affected by the timing for completion of the FS, as it is focused on Stage 2, being the development of a plant for production of high grade concentrate materials. Timing for start up of operations will be dependent on securing an operating permit for the project, which to date is advancing well.

Net loss after tax for the year ended 31 December 2015 was \$9,237,776 (December 31, 2014 - Net loss after tax of \$7,441,349).

9. DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended 31 December 2015.

10. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The significant changes in the state of affairs of the Consolidated Entity during the year were:

- The Company announced on 10 February 2015 that it had resolved to raise approximately A\$15 million in a placement to Australian and international institutional and sophisticated investors ("Placement").

Placement Details

The Placement consisted of 22.3 million new Securities to be issued at a price of A\$0.68 cents per Security to raise total funds of circa A\$15.1 million. The Securities were issued in two tranches as noted below:

- *Tranche 1* - Comprising 16.79 million Securities at A\$0.68 cents per Security to raise circa A\$11.4 million, was issued, on 18 February 2015, pursuant to ASX Listing Rules 7.1 and section 607 of the TSX Listing Rules; and
 - *Tranche 2* - Comprising circa 5.5 million Securities at A\$0.68 cents per Security to raise a further circa A\$3.7 million, (a) a portion of which was issued on 18 February 2015 to Canadian investors as subscription receipts to acquire shares (the "Subscription Receipts"), and (b) the remainder of which was issued to Australian and other international investors after receipt of shareholder approval at an Extraordinary General Meeting of Shareholders on April 10, 2015. This issue was completed on 16 April 2015.
- The Company undertook extensive drilling and prepared 2 JORC and NI 43-101 compliant resource statements delivering a high grade new development opportunity with significant exploration upside remaining (Announced: January 8, 2015 and December 17, 2015);
 - identified an early start up strategy that will enable early cash flows, with nominal capital expenditure requirements;
 - completed extensive metallurgical test work and resource modelling, establishing a proposed flowsheet for development of the project;
 - completed extensive marketing reviews identifying strong offtake opportunities for the proposed products;
 - completed a Philippine compliant feasibility study on the proposed Direct Shipping Operation ("DSO") to fast track permitting for proposed operations; and
 - completed a FS for both Stage 1 (the proposed DSO) and Stage 2, a plant to produce a number of high grade concentrate products post year end.

11. EVENTS SINCE THE END OF THE FINANCIAL YEAR

There has not been any matter or circumstance, except for those matters referred to in Note 25 to the financial statements or noted above, that have arisen since the end of the financial year, that has significantly affected or may significantly affect the operations of the Group, the results of the operations, or the state of affairs of the Group in the future financial years.

12. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company is committed to further developing its current asset base, and identifying new mineral exploration and development opportunities to enhance shareholder value.

13. SHARE OPTIONS

Unissued Shares

As at the date of this report, the Company had 8,784,687 options on issue. The total outstanding capital of the Company as at the date of this report was 134,252,237 fully paid shares. The options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Shares Issued as a Result of the Exercise of Options

During the financial year, no options were exercised. Details on movements in share options for the year are disclosed in Note 13 to the financial statements. No options have been granted subsequent to the end of the financial year.

14. REMUNERATION REPORT (Audited)

This report outlines the remuneration arrangements in place for directors and executives of the Company and the Group. For the purposes of this report, Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (executive or otherwise) of the parent entity.

Details of Key Management Personnel

(i) Directors

Michael Carrick	Executive Chairman
Justine Magee	Director (Executive), Chief Executive Officer
Robert Scott	Director (Non-Executive)
Phil Lockyer	Director (Non-Executive)
David Cruse	Director (Non-Executive)

(ii) Executives

Mark Turner	Chief Operating Officer
Nicholas Day	Chief Financial Officer and Company Secretary (Appointed: 21 January 2015)
Mr Ryan Gurner	Chief Financial Officer and Company Secretary (Resigned: 21 January 2015)

Changes since the end of the reporting period

Ryan Gurner resigned from the position of Chief Financial Officer/Company Secretary on 21 January 2015, and Nicholas Day was appointed on 21 January 2015.

Mr Robert Scott was appointed as Lead Director as at 30 October 2015.

Remuneration Governance

The Remuneration and Nomination Committee is a committee of the Board. It is primarily responsible for making recommendations to the board on:

- The over-arching executive remuneration framework;
- Operation of the incentive plans which apply to executive directors and senior executives (the executive team), including key performance indicator;
- remuneration levels of executives; and
- Non-executive director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

The Company's website contains further information on the role of this committee.

Remuneration Policy

The remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. Given the present nature of RTG's business, exploration and development, the Company believes the best way to achieve this objective is to provide executives (including executive directors) with a remuneration package consisting of fixed and variable components that reflect the person's responsibilities, duties and personal performance.

Remuneration Consultants

The Remuneration and Nomination Committee reviews information from external sources in relation to its existing remuneration structure. The process of evaluation has remained in-house and informal during the year, with one major review of the Board, employees and directors undertaken in March 2015.

During the year ended 31 December 2015, the Company made use of the Aon Hewitt Gold and General Mining Remuneration reports and were guided by recommendations on remuneration from these reports. An amount of \$2,400 was paid. Aon Hewitt have not made any recommendations under undue influence from management and not provided any other services to the Company.

Non-executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders. Each director receives a fee for being a director of the Company. The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between directors as agreed. The aggregate non-executive director's remuneration including 9.5% superannuation guarantee is currently A\$300,000 ratified at a general meeting on 10 April 2015.

Executive Remuneration

Fixed Remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis), as well as employer contributions to superannuation funds.

Arrangements put in place by the Board to monitor the performance of the Consolidated Entity's executives include:

- a review by the the Remuneration Committee reporting to the Board of the Group's financial performance in relation to external KPIs assessed by remuneration consultants Aon Hewitt; and
- annual performance appraisals incorporating analysis of key performance indicators with each individual to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Company.

Remuneration levels are reviewed as required by the Remuneration and Nomination Committee on an individual contribution basis. This incorporates analysis of key performance indicators with each individual to ensure that the

level of reward is aligned with respective responsibilities and individual contributions made to the success of the Company.

Variable Remuneration – Short Term Incentive (“STI”)

Objective

The objective of the STI program is to link the achievement of the Group’s operational targets with the remuneration received by the executives charged with meeting those targets. The total STI amount available is at the discretion of the board, however it is set at a level so as to provide sufficient incentive to the executive to achieve the operational targets and such that the cost to the Company is reasonable in the circumstances.

Structure

Actual STI payments granted to each executive depend on the extent to which key Group objectives are met. The objectives typically consist of financial and non-financial, corporate and individual measures of performance. Typically included are measures such as contribution to financing and capital raising objectives, risk management and relationship management with key stakeholders. These measures were chosen as they represent the key drivers for the short term success of the business and provide a framework for delivering long term value.

STI payments are made at the discretion of the Board and remuneration committee. Amounts are determined in line with the extent to which a key business objective has been met and the individuals responsibilities and contribution. The process occurs shortly after the key objective has been met and payments are delivered as a cash bonus upon approval, in order to closely align the achievement and reward.

STI Bonus for 31 December 2015 Financial Period and for 31 December 2014 Financial Year

For 31 December 2015 and 31 December 2014 financial period’s there were no STI payments made to Executives. No STI bonus amounts have been forfeited during the 31 December 2015 and 31 December 2014 financial years. STI payments are made at the discretion of the Board and remuneration committee.

Variable Remuneration - Long Term Incentive (“LTI”)

Objective

The objective of the LTI plan is to reward executives in a manner that aligns remuneration with the creation of shareholder wealth.

Structure

LTI grants to executives are delivered in the form of loan funded shares under the Loan Funded Share Plan. Shares are granted to executives based on their role and responsibilities. The shares may be granted on varying vesting terms designed to align the individuals’ role and responsibilities with the vesting terms. Shares granted as remuneration are determined as part of the overall review of performance and compensation. Criteria which are measured included relative share price performance over the period leading up to their grant. Details of LTI shares granted and the value of shares granted, sold and lapsed during the year are set out in the tables following.

Use of remuneration consultants

During the financial year, Aon Hewitt remuneration consultants’ reports were used for industry standards and a fee of \$2,400 was paid.

Service Agreements

In relation to directors and executives, in the case of serious misconduct, employment may be terminated without notice, with no entitlement to termination payment other than Remuneration pro rata up to and including the date of termination. Executive Directors currently have twelve month notice of termination clause for both the Company and the Employee along with Executive, Mr Mark Turner. These contracts were initially a 3 year contract to the 1 February 2016 and are currently being renewed under similar terms. Mr Nicholas Day has a six month notice of termination clause for both the Company, and himself. Details of the nature and amount of each element of the emolument of each director and key management personnel of the Company and each of the executive officers of the Company and the Consolidated Entity receiving the highest emolument for the financial year are as follows:

(a) Details of remuneration

The following tables show details of the remuneration received by the group's key management personnel for the current and previous financial period.

	12 months ended							
	Short-term			Post-employment	Share based	Total	Total Performance Related	Long term
	Cash salary & fees	Cash bonus	Non-monetary benefits	Benefits	payments			Benefits
US\$	US\$	US\$	US\$	US\$	US\$			Annual and long service leave
						%	US\$	
Directors								
Mr Michael Carrick	150,721	-	40,243	18,087	-	-	209,051	-
Ms Justine Magee	289,505	-	11,335	16,037	-	-	316,877	37,948**
Mr Robert Scott	53,085	-	-	-	-	-	53,085	-
Mr Phil Lockyer	44,730	-	-	4,249	-	-	48,979	-
Mr David Cruse	44,896	-	-	4,266	-	-	49,162	-
Executives								
Mr Mark Turner	290,061	-	38,014	16,949	-	-	345,024	35,101**
Mr Nicholas Day	172,151	-	-	14,218	-	-	186,369	12,537**
Mr Ryan Gurner*	23,481	-	-	1,280	-	-	24,761	-
Total Remuneration	1,068,630	-	89,592	75,086	-	-	1,233,308	85,586

* Ryan Gurner resigned as at 21 January 2015, **This is a provision for annual leave and does not reflect actual salary paid.

	12 months ended							
	Short-term			Post-employment	Share based	Total	Total Performance Related	Long term
	Cash salary & fees	Cash bonus	Non-monetary benefits	Benefits	payments			Benefits
US\$	US\$	US\$	US\$	US\$	US\$			Annual and long service leave
						%	US\$	
Directors								
Mr Michael Carrick	180,412	-	48,170	21,649	-	-	250,231	-
Ms Justine Magee	350,099	-	21,761	23,712	-	-	395,572	38,785***
Mr Robert Scott	53,238	-	-	-	-	-	53,238	-
Mr Phil Lockyer	54,477	-	-	5,105	-	-	59,582	-
Mr David Cruse	54,477	-	-	5,105	-	-	59,582	-
Mr Mathew Syme (retired 9 September 2014)	14,072	-	-	1,337	-	-	15,409	-
Executives								
Mr Mark Turner	346,133	-	38,997	20,963	-	-	406,093	20,413***
Mr Ryan Gurner*	81,735	-	-	5,511	-	-	87,246	6,069***
Ms Hannah Hudson**	189,856	-	-	18,277	-	-	208,133	-
Total Remuneration	1,324,499	-	108,928	101,659	-	-	1,535,086	65,267

* Ryan Gurner resigned as at 21 January 2015, ** Hannah Hudson resigned as at 9 September 2014, ***This is a provision for annual leave and does not reflect actual salary paid.

Equity instruments held by directors and key management personnel

(i) Shares issued to directors and executives

The details of the allocation of loan funded shares to key management personnel are as follows:

2015 Name	Opening balance 01 January 2015	Other changes	Closing balance 31 December 2015	Share issue price (\$C)*	Vested % to the end of December 31, 2015
Directors					
Mr Michael Carrick	300,000	-	300,000	1.65	100%
Ms Justine Magee	300,000	-	300,000	1.65	100%
Mr David Cruse	50,000	-	50,000	1.65	100%
Mr Philip Lockyer	50,000	-	50,000	1.65	100%
Mr Robert Scott	50,000	-	50,000	1.65	100%
Executives					
Mr Mark Turner	250,000	-	250,000	1.65	100%
Mr Nicholas Day	-	-	-	-	-
Mr Ryan Gurner*	-	-	-	-	-

* Ryan Gurner resigned as at 21 January 2015.

2014 Name	Opening balance 01 January 2014	Other changes*	Closing balance 31 December 2014	Share issue price (\$C)*	Vested % to the end of December 31, 2014
Directors					
Mr Michael Carrick	3,000,000	(2,700,000)	300,000	1.65	100%
Ms Justine Magee	3,000,000	(2,700,000)	300,000	1.65	100%
Mr David Cruse	500,000	(450,000)	50,000	1.65	100%
Mr Philip Lockyer	500,000	(450,000)	50,000	1.65	100%
Mr Robert Scott	500,000	(450,000)	50,000	1.65	100%
Executives					
Mr Mark Turner	2,500,000	(2,250,000)	250,000	1.65	100%
Mr Ryan Gurner***	-	-	-	-	-
Ms Hannah Hudson	1,500,000	(1,350,000)	150,000**	1.65	100%

*The Company completed a 1:10 share consolidation on 28 May 2014 prior to completion of the Scheme of Arrangement on 4 June 2014.

**Balance at resignation date, 9 September 2014

*** Ryan Gurner resigned as at 21 January 2015.

On 28 March 2013, shares were issued to key management personnel of the Company under the Loan Funded Share Plan ("LFSP" or "the Plan") that was approved by Shareholders at the 21 March 2013 special shareholders meeting of Ratel Group Limited. The shares were issued to employees under the following terms (Refer to Note 21 for further details):

- Shares were issued on 28 March 2013 at C\$0.165 (C\$1.65 post 1:10 consolidation), which was in excess of the 5 day volume weighted average market price on that day.
- 14,000,000 shares were issued which vested immediately (June 2013).
- Shares issued under this plan have been paid for by employees who have been provided with an interest free non-recourse loan by the Company.

- A total of 14,000,000 shares were issued on 28 March 2013 with a face value of C\$2,310,000.

Details of the non-recourse loans granted to employees can be found at Note 20.

(ii) Options granted to directors and key management personnel

There were no options granted to executives of the Company during the period ended 31 December 2015 (December 2014: nil).

(iii) Share holdings

	Balance at start of period	Acquired	Granted under the Loan Share Plan	Other changes during the period*	Balance at the end of period
31 December 2015					
Directors					
Mr Michael Carrick	527,734	-	-	-	527,734
Ms Justine Magee	345,404	-	-	-	345,404
Mr David Cruse	894,280	-	-	-	894,280
Mr Philip Lockyer	65,385	-	-	-	65,385
Mr Robert Scott	80,770	-	-	-	80,770
Executives					
Mr Mark Turner	250,000	-	-	-	250,000
Mr Nicholas Day	-	-	-	-	-
Mr Ryan Gurner*	-	-	-	-	-

* Ryan Gurner resigned as at 21 January 2015.

	Balance at start of period	Acquired	Granted under the Loan Share Plan	Other changes during the period*	Balance at the end of period
31 December 2014					
Directors					
Mr Michael Carrick	5,277,334	-	-	(4,749,600)	527,734
Ms Justine Magee	3,454,044	-	-	(3,108,640)	345,404
Mr David Cruse	1,365,400	757,740	-	(1,228,860)	894,280
Mr Philip Lockyer	653,850	-	-	(588,465)	65,385
Mr Robert Scott	807,700	-	-	(726,930)	80,770
Mr Mathew G Syme	-	-	-	5,007,403	5,007,403**
Executives					
Mr Mark Turner	2,500,000	-	-	(2,250,000)	250,000
Mr Ryan Gurner***	-	-	-	-	-
Ms Hannah Hudson	1,541,664	-	-	(1,387,497)	154,166***

*The Company completed a 1:10 share consolidation on 28 May 2014 prior to the completion of the Scheme of Arrangement on 4 June 2014; **Balance at resignation date, 9 September 2014;

*** Balance at resignation date, 9 September 2014; and ** Ryan Gurner resigned as at 21 January 2015.

Loan funded share plan (“LFSP” or “the Plan”)

Shares issued pursuant to the LFSP are for services rendered to date by eligible employees and directors to date and, going forward, for services rendered by existing and any new eligible employees and directors who are appointed in the future. The purposes of the Plan are to motivate and retain employees, attract quality employees to the Group create commonality of purpose between the employees and the Group, create wealth for shareholders by motivating the employees, and enable the employees to share the rewards of the success of the Group. Where the Company offers to issue incentive shares to a Director employee, the Company may offer to provide the recipient with a limited recourse, interest free loan to be used for the purposes of subscribing for the shares in the Company. The Company’s recourse to repayment of the loans is limited to the lesser of:

- a) The original loan to the participant less any repayments made; or
- b) The market value of the shares as at the date of repayment of the loan.

(iv) Option holdings

31 December 2015	Balance at start of period	Acquired	Other changes during the period*	Balance at the end of period
Directors				
Mr Michael Carrick	-	-	-	-
Ms Justine Magee	-	-	-	-
Mr David Cruse	73,082	-	-	73,082
Mr Philip Lockyer	-	-	-	-
Mr Robert Scott	-	-	-	-
Executives				
Mr Mark Turner	-	-	-	-
Mr Nicholas Day	-	-	-	-
Mr Ryan Gurner**	-	-	-	-

*Options issued under Scheme with Sierra Mining

** Ryan Gurner resigned as at 21 January 2015.

31 December 2014	Balance at start of period	Acquired	Other changes during the period*	Balance at the end of period
Directors				
Mr Michael Carrick	-	-	-	-
Ms Justine Magee	-	-	-	-
Mr David Cruse	-	-	73,082*	73,082
Mr Philip Lockyer	-	-	-	-
Mr Robert Scott	-	-	-	-
Mr Mathew Syme	-	-	556,379	556,379**
Executives				
Mr Mark Turner	-	-	-	-
Mr Ryan Gurner*	-	-	-	-
Ms Hannah Hudson	-	-	-	-

* Ryan Gurner resigned as at 21 January 2015.

** Balance at resignation date 9 September 2014.

Other transactions with Key Management Personnel

Transactions with related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers and directors as follows for the twelve months ended December 31, 2015 and 2014:

Name	Nature of transactions
Coverley Management Services Pty Ltd	Consulting as Director

The Company paid the following fees in the normal course of operation in connection with companies owned by directors.

	31 December 2015	31 December 2014
Directors fees	53,085	53,238
Total	53,085	53,238

End of remuneration report.

15. INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company has paid insurance premiums of US\$54,700 (2014: US\$66,794) in respect of directors' and officers' liability contracts, for current and former directors and officers, including senior executives of the Company and directors, and senior executives and secretaries of its controlled entities. The insurance premiums relate to:

- costs and expenses incurred by relevant officers in defending proceedings, whether civil or criminal, whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty or improper use of information or position to gain a personal advantage.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, BDO Australia("BDO"), as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify BDO during or since the financial year.

Indemnification of directors

The Company has agreed to indemnify all the directors and executive officers for any breach by the Company for which they may be held personally liable.

16. ENVIRONMENTAL REGULATION

The Consolidated Entity has a policy of complying with its environmental performance obligations. No material environmental issues have occurred during the year ended 31 December 2015 or up to the date of this report.

17. AUDITORS INDEPENDENCE DECLARATION AND NON AUDIT SERVICES

Throughout the year, the auditors performed non audit services for the Company in addition to their statutory duties. A total of US\$69,106 (31 December 2014:\$70,065) was paid for these services (refer to Note 14 for further details).

<i>The auditor of the Company is BDO Audit (WA) Pty Ltd.</i>	31 December 2015	31 December 2014
	US\$	US\$
<i>Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:</i>		
• Audit related services	65,767	85,809
• <u>Taxation services</u>		
- Tax compliance	68,895	46,191
- Other assurance services	210	23,874
	<u>134,872</u>	<u>155,874</u>

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. A copy of the auditor's independence declaration as required under section 307C of the Corporations Act is included at page 59 of the financial report and forms part of this report.

This report is made in accordance with a resolution of the directors on 29 March 2016.

A handwritten signature in black ink, appearing to read 'Justine', with a large loop at the start and a long horizontal stroke at the end.

JUSTINE ALEXANDRIA MAGEE
Director

Perth, 30 March 2016

CORPORATE GOVERNANCE STATEMENT

The Company's 2015 Corporate Governance Statement has been released as a separate document and is located in the Corporate Governance section of the RTG Mining website. (www.rtgmining.com)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	31 December 2015	31 December 2014
		US\$	US\$
Continuing operations			
Revenue	3	4,059	31,625
Exploration and evaluation expenditure	4(a)	(381,203)	-
Business development expenses	4(b)	(1,134,768)	(1,570,777)
Share of associate loss	4(d)	(2,097,550)	(1,677,500)
Impairment expense	4(e)	(3,172,081)	-
Foreign exchange loss		(11,302)	(386,768)
Administrative expenses	4(c)	(2,444,931)	(3,837,929)
Loss from continuing operations		(9,237,776)	(7,441,349)
Income tax benefit/(expense)	5	-	-
Net loss for the period		(9,237,776)	(7,441,349)
Other comprehensive income/(loss)			
Exchange differences on translation of foreign operations		245,876	(101,433)
Total comprehensive loss for the period		(8,991,900)	(7,542,782)
Loss attributable to:			
Owners of the Company		(9,237,776)	(7,441,349)
Total comprehensive loss attributable to:			
Owners of the Company		(8,991,900)	(7,542,782)
Loss per share from continuing operations attributable to the ordinary equity holders of the company			
Basic loss per share (cents)	15	(7.09)	(9.48)
Diluted loss per share (cents)	15	(7.09)	(9.48)
Total comprehensive loss per share attributable to the ordinary equity holders of the company			
Basic loss per share (cents)	15	(6.90)	(9.61)
Diluted loss per share (cents)	15	(6.90)	(9.61)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2015	31 December 2014
		US\$	US\$
ASSETS			
Current Assets			
Cash and cash equivalents	6	4,561,717	2,394,974
Trade and other receivables	7	378,679	449,984
Prepayments	8	42,138	29,741
Total Current Assets		4,982,534	2,874,699
Non-Current Assets			
Property, plant and equipment	9	202,611	230,670
Available for sale financial assets	10	-	1,841,854
Investment in associates	23	80,650,232	83,197,341
Loans to associate	24	7,622,597	2,992,472
Derivative financial asset		-	1,330,228
Total Non-Current Assets		88,475,440	89,592,565
TOTAL ASSETS		93,457,974	92,467,264
LIABILITIES			
Current Liabilities			
Trade and other payables	11	252,537	276,566
Provisions	12	142,169	944,251
Total Current Liabilities		394,706	1,220,817
TOTAL LIABILITIES		394,706	1,220,817
NET ASSETS		93,063,268	91,246,447
SHAREHOLDER'S EQUITY			
Issued capital	13(a)	124,708,862	113,900,141
Reserves	13(b)	3,445,571	3,199,695
Accumulated losses	13(c)	(35,091,165)	(25,853,389)
TOTAL SHAREHOLDER'S EQUITY		93,063,268	91,246,447

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Twelve months to 31 December 2015</i>	<i>Issued Capital US\$</i>	<i>Acquisition reserve US\$</i>	<i>Share based payment reserve US\$</i>	<i>Foreign currency translation reserve US\$</i>	<i>Accumulated losses US\$</i>	<i>Total US\$</i>
Balance at 1 January 2015	113,900,141	(4,300,157)	7,601,285	(101,433)	(25,853,389)	91,246,447
<i>Other comprehensive income/(loss)</i>						
Loss for the year	-	-	-	245,876	(9,237,776)	(8,991,900)
Total comprehensive income /(loss) for the year	-	-	-	245,876	(9,237,776)	(8,991,900)
Shares issues	11,762,803	-	-	-	-	11,762,803
Share issue costs	(954,082)	-	-	-	-	(954,082)
At 31 December 2015	124,708,862	(4,300,157)	7,601,285	144,443	(35,091,165)	93,063,268

<i>Twelve months to 31 December 2014</i>	<i>Issued Capital US\$</i>	<i>Acquisition reserve US\$</i>	<i>Share based payment reserve US\$</i>	<i>Foreign currency translation reserve US\$</i>	<i>Accumulated losses US\$</i>	<i>Total US\$</i>
Balance at 1 January 2014	34,162,759	(4,300,157)	3,139,200	-	(18,412,040)	14,589,762
Loss for the year	-	-	-	(101,433)	(7,441,349)	(7,542,782)
Total comprehensive income /(loss) for the year	-	-	-	(101,433)	(7,441,349)	(7,542,782)
Shares issued upon exercise of options	240	-	-	-	-	240
Shares/options issued under Scheme	79,737,142	-	4,462,085	-	-	84,199,227
At 31 December 2014	113,900,141	(4,300,157)	7,601,285	(101,433)	(25,853,389)	91,246,447

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	31 December 2015 US\$	31 December 2014 US\$
Cash flows from operating activities			
Payments for exploration & evaluation		(375,328)	-
Payments to suppliers and employees		(3,362,643)	(5,225,108)
Interest received		4,059	31,431
Net cash (outflow) from operating activities	6(a)	(3,733,912)	(5,193,677)
Cash flows from investing activities			
Payments for property, plant & equipment		(680)	(14,405)
Loans to associated entities		(4,630,125)	(2,992,472)
Increase to bank guarantees		(16,183)	-
Cash acquired upon completion of Scheme net of acquisition costs		-	233,824
Net cash (outflow) from investing activities		(4,646,988)	(2,773,053)
Cash flows from financing activities			
Proceeds from issue of shares		11,762,803	-
Proceeds from exercise of options		-	240
Capital raising costs		(954,082)	-
Net cash inflow from financing activities		10,808,721	240
Net increase/(decrease) in cash and cash equivalents		2,427,821	(7,966,490)
Cash and cash equivalents at beginning of the period		2,394,974	10,987,534
Reclassification of opening cash to receivable		-	(109,684)
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		(261,078)	(516,386)
Cash and cash equivalents at end of the financial period	6	4,561,717	2,394,974

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

RTG MINING INC.

Notes to the consolidated financial statements

1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

a) Statement of compliance

The consolidated financial report has been prepared as a general purpose financial report which has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorised for issue by the directors at a meeting held on 29 March 2016.

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for available for sale financial assets which have been measured at fair value. Historical costs are generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in United States dollars unless otherwise noted.

The financial report is presented in United States Dollars (US\$).

The Company is a for profit entity.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its controlled entities, referred collectively throughout these financial statements as the "Consolidated Entity" or "the Group", as at 31 December 2015. Transactions between companies within the Consolidated Entity have been eliminated on consolidation.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

A change of ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

Associates

Associates are entities over which the Group has significant influence but not control or joint control. Associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method of accounting, the group's share of post-acquisition profits or losses of associates is recognised in consolidated profit or loss and the group's share of post-acquisition other comprehensive income of associates is recognised in consolidated other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends received from associates are recognised in the parent entity's profit or loss, while they reduce the carrying amount of the investment in the consolidated financial statements.

When the Group's share of post-acquisition losses in an associate exceeds its interest in the associate (including any unsecured long-term receivables), the Group does not recognise further losses unless it has obligations to, or has made payments, on behalf of the associate.

The financial statements of the associates are used to apply the equity method. The end of the reporting period of the associates was 30 June, but they have all recently adopted a 31 December year end, and all use consistent accounting policies.

Significant accounting estimates and assumptions

1. Significant accounting judgments'

The valuation of certain assets held by the Group is dependent upon the estimation of mineral resources and ore reserves. There are numerous uncertainties inherent in estimating mineral resources and ore reserves and

RTG MINING INC.

Notes to the consolidated financial statements

1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may ultimately result in the reserves being restated. Such change in reserves could impact on asset carrying values.

II. Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Non-consolidation of entities

Mt Labo Exploration and Development Corporation ("Mt Labo"), Bunawan Mining Corporation ("Bunawan"), St Ignatious and Oz Metals Exploration and Development Corporation ("Oz Metals") ("the Associates").

Under IFRS 10, an investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. Based on this, the Board control and voting rights in the Associates, RTG has determined that there is an absence of control over the Associates and that they will be equity accounted in line with IFRS 128.

Board Control:

The Boards of each of the Philippine companies are comprised of four members, with each company Board sharing a maximum of one common Board member with RTG Mining Inc. It follows that the common RTG Board members can not directly control the Boards of the Philippine companies.

Voting Rights:

RTG, through Sierra Mining Pty Ltd, controls 40% of the shareholdings of Mt Labo, St Ignatius, Bunawan and Oz Metals, with the remaining 60% of the shareholdings being controlled by an external Philippine shareholder. Thus, RTG cannot exercise control over these entities via their shareholding positions.

Based on the above assessment of Board Control and Voting Rights, and in the absence contractual obligations between RTG and the Philippine companies, RTG is satisfied that it does not have power over the Associates and hence does not control the Associates.

Impairment of plant and equipment

The Group determines whether plant and equipment is impaired at least on an annual basis. This requires an assessment on whether there have been any impairment triggers, and where there have been triggers for impairment, an estimation of the recoverable amount of cash generating units to which the plant and equipment are allocated.

Share based payment transactions

The Group measures the costs of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The Group measures the cost of cash-settled share based payments at fair value at grant date using the binomial formula taking into account the terms and conditions upon which the instruments were granted, as discussed in Note 20.

Estimated impairment of non-financial assets

Non-financial assets are reviewed at each reporting date to determine whether there are any indicators that the carrying amount may not be recoverable.

Recoverability of investment in associates

The Group assesses recoverability of its investment in associates at each reporting date. The recoverability of the investment in associates is determined in reference to the underlying exploration assets the associates have rights to tenure to.

RTG MINING INC.

Notes to the consolidated financial statements

1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

Recoverability of loans to associates

The Group assesses recoverability of its loans to associates at each reporting date. These loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are measured at amortised cost using the effective interest method where gains and losses are recognised in the profit or loss when the loans are considered impaired.

b) Cash and cash equivalents

Cash and short term deposits in the statement of financial position include cash at bank and short term deposits with an original maturity of three months or less.

c) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Office, plant and equipment – over 1 to 10 years

The assets' residual values, useful lives and amortization methods are reviewed, and adjusted if appropriate, at each financial year.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

De-recognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of profit or loss and other comprehensive income in the period the item is derecognised.

d) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is represented in the statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

e) Employee leave benefits

1. Wages, salaries, annual leave and sick leave

Provision is made for the Group's liability for employee entitlements arising from services rendered by employees to reporting date. Employee entitlements due to be settled within one year have been measured at their nominal amounts based on remuneration rates which are due to be paid when the liability is settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

RTG MINING INC.

Notes to the consolidated financial statements

1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

II. Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit valuation method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service.

f) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profits or taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are recognised at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and the same taxation authority.

RTG MINING INC.

Notes to the consolidated financial statements

1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.**g) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the relevant taxation authorities, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the relevant taxation authorities is included as a receivable or payable in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

h) Foreign currency translation

Both the functional currency and presentation currency of the Company is United States dollars (US\$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

The functional currency of the Company's foreign entities is the Philippine Peso.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the foreign entities are expressed in United States dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognized as a separate component of equity and as a foreign currency translation adjustment in other comprehensive income (loss) in statement of profit or loss and other comprehensive income.

i) Share based payment transactions

The Company provides benefits to directors, consultant and employees of the Group in the form of share-based payment transactions, whereby eligible recipients render services in exchange for shares or rights over shares ('equity-settled transactions'). There is currently an options scheme, which provides benefits to eligible recipients of the Company.

The costs of equity-settled transactions with directors and employees is measured by reference to fair value at the date at which they are granted. The fair value is determined using a Black & Scholes further details of which are given in Note 21.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of RTG if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

RTG MINING INC.

Notes to the consolidated financial statements

1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except awards where vesting is conditional upon a market performance condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

j) Exploration and evaluation

Exploration and evaluation expenditures are written off as incurred, except for acquisition costs and where an area of interest is established.

Exploration assets acquired from a third party are carried forward provided that either i) the carrying value is expected to be recouped through the successful development and exploitation or sale of an area of interest or ii) exploitation and/or evaluation activities in the area have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, active and significant operations in relation to the area are continuing and the rights of the tenure are current. If capitalised exploration and evaluation costs do not meet either of these tests, they are expensed to profit or loss.

An area of interest is established where a discovery of economically recoverable resource is made. The area of interest will be established as a mineral project. All activity relating to the area of interest is then subsequently capitalised. Where development is anticipated, costs will be carried forward until the decision to develop is made.

Each area of interest is reviewed at least bi-annually to determine whether it is appropriate to continue to carry forward the capitalised costs.

Upon approval for the development of an area of interest, accumulated expenditure for the area of interest is transferred to capitalised development expenditure.

k) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

For the purposes of the statement of cash flows, cash and cash equivalents include cash and cash equivalents defined above, net of outstanding bank overdrafts.

l) Contributed equity

Shares are classified as equity and are recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

RTG MINING INC.

Notes to the consolidated financial statements

1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

m) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

After such a reversal the depreciation charge is adjusted in future periods to allocate the assets revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

n) Trade and other receivables

Trade receivables, which generally have 30 day terms are recognised and carried at fair value and subsequently measured at amortised cost less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

o) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed as incurred.

p) Revenue recognition

Revenue is recognised and measured at fair value of the consideration received or receivable to the extent that it is possible that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest revenue

Revenue is recognised as the interest accrues using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the parent entity and board of directors.

RTG MINING INC.

Notes to the consolidated financial statements

1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

r) Earnings per share

I. Basic earnings/(loss) per share

Basic earnings per share is calculated by dividing:

- the profit/(loss) attributable to owners of the Company, excluding any costs of servicing equity other than shares.
- by the weighted average number of shares outstanding during the year, adjusted for bonus elements in shares issued during the year.

II. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential shares; and
- the weighted average number of additional shares that would have been outstanding assuming the conversion of all dilutive potential shares.

s) Parent entity financial information

The financial information for the parent entity, RTG Mining Inc, disclosed in Note17 has been prepared on the same basis as the consolidated financial statements, except for investments in subsidiaries which are accounted for at cost in the financial statements of RTG Mining Inc.

t) Financial Assets

Financial assets are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets as appropriate on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss (FVTPL), held to maturity investments, available for sale (AFS) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

u) Derivative financial instruments

The Group has derivative financial instruments in the form of a convertible note issued by Elephant Copper Ltd, which is convertible into shares at the discretion of the Company. Such derivative financial instruments are initially recognised at fair value at the date at which the derivatives are issued and are subsequently re-measured at fair value. These derivatives do not qualify for hedge accounting and changes in fair value are recognised immediately in profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

During the financial period, the Company reviewed the convertible note in Elephant Copper. The Company adopted a conservative approach and on the recommendation of the Risk & Audit Committee, impaired these assets to nil. The decision was based on a number of factors, including but not limited to, the fall in current market conditions and a lower copper price, which will potentially impact Elephant Coppers intended capital raising.

RTG MINING INC.

Notes to the consolidated financial statements

1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

v) Investment in associates

The Group's investment in its associates is accounted for using the equity method of accounting in the consolidated financial statements. The associates are entities over which the Group has significant influence and that are neither subsidiaries nor joint ventures.

Under the equity method, investments in associates are carried in the consolidated statement of financial performance at cost plus post-acquisition changes in the Groups share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognize any impairment loss with respect to the Group's net investment in the associate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of profit or loss and other comprehensive income, and its share of post-acquisition movements in reserves along with currency movements on translation of the associates is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's statement of profit or loss and other comprehensive income, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The reporting dates of the associates of the Group were recently changed to 31 December each year, similar to the Groups 31 December reporting date.

w) Asset acquisition

During the year ended 31 December 2014, RTG acquired all of the outstanding shares of Sierra ("Sierra Shares") and all of the outstanding listed options of Sierra ("Sierra Options"), and issued as consideration:

- to eligible shareholders of Sierra, 3 new ordinary shares of RTG ("RTG Shares") for every 10 Sierra Shares held and 1 new share purchase option of the Company ("RTG Option") for every 30 Sierra Shares held; and
- to eligible optionholders of Sierra, 2 RTG Shares for every 10 Sierra Options held and 2 RTG Options for every 90 Sierra Options held.

The Company also acquired all unlisted Sierra Options ("Sierra Unlisted Options"), and issued as consideration to such holders of Sierra Unlisted Options:

- 1 RTG Share for every 10 Sierra Unlisted Options exercisable at \$0.20 each on or before July 1, 2014, together with 1 RTG Option for every 90 Sierra Unlisted Options held; and
- 1 RTG Share for every 20 Sierra Unlisted Options exercisable at \$0.25 each on or before July 1, 2015, together with 1 RTG Option for every 180 Sierra Unlisted Options held.

On 4 June 2014 RTG completed the above through the issuance of 79,063,206 ordinary RTG shares and 8,784,854 RTG listed options.

Pursuant to the scheme of arrangement as detailed in the scheme booklet distributed to the market on 30 April 2014 ("Scheme's"), RTG has acquired a direct 40% interest in each of Mt Labo Exploration & Development Corporation, St Ignatius Exploration and Mineral Resources Corporation, Bunawan Mining Corporation and Oz Metals Exploration and Development Corporation. As the acquisition of Sierra was not deemed a business acquisition, the transaction must be accounted for as a share based payment for the net assets acquired.

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under IFRS 112 applies. No goodwill will arise on the acquisitions and transaction costs of the acquisitions will be included in the capitalised costs of the asset.

RTG MINING INC.

Notes to the consolidated financial statements

1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

x) Fair value

Fair values may be used for financial asset and liability measurement and well as for sundry disclosures.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to, or by, the Group.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

In measuring fair value, the group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

For assets and liabilities for which fair value is measured or disclosed in the financial statements, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purposes of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique in estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing an asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 117 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IFRS 2 or value in use in IFRS 136.

y) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

RTG MINING INC.

Notes to the consolidated financial statements

1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purposes of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

IFRS 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

The consolidated entity has applied Parts A to C of IFRS 2014-1 from 1 January 2015. These amendments affect the following standards: IFRS 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; IFRS 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of IFRS 9; IFRS 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; IFRS 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of IFRS 9 and IFRS 139; IFRS 116 'Property, Plant and Equipment' and IFRS 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; IFRS 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; IFRS

140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2015. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

IFRS 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of IFRS 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the

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change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

IFRS 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

IFRS 16 Leases

IFRS 16 eliminates the operating and finance lease classifications for lessees currently accounted for under IFRS 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under IFRS 117. An entity will be required to recognise a lease liability and a right of use asset in its balance sheet for most leases.

There are some optional exemptions for leases with a period of 12 months or less and for low value leases. The application date of this standard is for annual reporting periods beginning on or after 1 January 2019. Due to the recent release of this standard, the group has not yet made a detailed assessment of the impact of this standard.

3. REVENUE

	31 December 2015	31 December 2014
	US\$	US\$
Interest income	4,059	31,431
Other	-	194
	<u>4,059</u>	<u>31,625</u>

4. EXPENSES

	31 December 2015	31 December 2014
	US\$	US\$
(a) Exploration and evaluation expenditure		
Employee benefits	171,650	-
Consultants fees	22,374	-
Travel expenses	187,179	-
	<u>381,203</u>	<u>-</u>

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Notes to the consolidated financial statements

4. EXPENSES cont.

	US\$	US\$
(b) Business development		
Travel	497,874	629,020
Employee fees	419,440	504,274
Project analysis	56,201	217,534
Conferences	84,688	216,541
Other	76,565	3,408
	<u>1,134,768</u>	<u>1,570,777</u>
	US\$	US\$
(c) Administrative expenses		
Accounting & audit fees	254,314	135,094
Employee and directors fees	1,101,139	1,806,212
Office rental	179,216	295,065
Legal fees	416,406	552,867
Listing and shareholder reporting costs	202,341	164,644
Consultants	72,636	326,907
Computer support	41,700	50,255
Depreciation	28,050	32,633
Insurance	53,176	43,258
Other	95,953	430,994
	<u>2,444,931</u>	<u>3,837,929</u>
	31 December 2015 US\$	31 December 2014 US\$
(d) Share of loss of associate		
Share of net losses of associates	2,918,462	856,588
Share of drilling cost accrual	(820,912)	820,912
	<u>2,097,550</u>	<u>1,677,500</u>

Refer note 23 "Investment in associates" for further details.

	US\$	US\$
(e) Impairment expense		
Available for sale financial asset	(1,841,854)	-
Derivative financial asset	(1,330,228)	-
	<u>(3,172,082)</u>	<u>-</u>

5. INCOME TAX

The Company is incorporated in the British Virgin Islands and holds its registered office there, however it is an Australian resident for tax purposes due to the location of its central management and control. The major components of income tax benefit are:

	31 December 2015	31 December 2014
(a) Recognised in the statement of profit or loss and other comprehensive income		
	US\$	US\$
<i>Current income tax</i>		
Current Income tax expense / (benefit)	-	-
Adjustments in respect of current income tax of previous years	-	-
<i>Deferred Income tax</i>		
Relating to the origination and reversal of temporary differences	(1,682,270)	(563,114)
Gain not recognised for income tax purposes	-	-
Deferred tax assets not brought to account	1,682,270	563,114
Income tax expense reported in the statement of profit or loss and other comprehensive income	<u>-</u>	<u>-</u>

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Notes to the consolidated financial statements

5. INCOME TAX cont.

(b) A reconciliation between tax expense and accounting loss before income tax	31 December 2015 US\$	31 December 2014 US\$
Accounting loss before income tax	(9,237,776)	(7,441,349)
At the domestic income tax rate of 30% (Australia)	(2,771,333)	(2,232,404)
Expenditure not allowable for income tax purposes	1,392,916	1,859,510
Gain not recognized for income tax purposes		-
Adjustments in respect of current income tax of previous years	-	-
Deferred tax assets not brought to account	1,378,417	372,894
Income tax expense reported in the statement of profit or loss and other comprehensive income	<u>-</u>	<u>-</u>

(c) Deferred income tax

	31 December 2015 US\$	31 December 2014 US\$
Deferred income tax at 31 December 2014 relates to the following:		
<i>Deferred tax assets</i>		
Accruals	34,467	40,891
Provision for doubtful debts	22,490	87,068
Tax losses available to offset against future taxable income	2,130,534	1,284,770
Assets held for sale	1,016,202	-
Foreign exchange losses	-	108,694
Deferred tax assets not brought to account	<u>(3,203,693)</u>	<u>(1,521,423)</u>
	<u>-</u>	<u>-</u>

The tax losses have not been recognised as their realisation is not considered probable at this stage. The recovery of any tax losses is dependent upon compliance with relevant tax authorities and regulations.

6. CASH AND CASH EQUIVALENTS

	31 December 2015 US\$	31 December 2014 US\$
Cash on hand	25	56
Cash at bank	4,561,692	2,394,918
	<u>4,561,717</u>	<u>2,394,974</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

For further information on financial risk management refer to Note 19.

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Notes to the consolidated financial statements

6. CASH AND CASH EQUIVALENTS cont.**(a) Reconciliation to Statement of Cash Flows**

	31 December 2015	31 December 2014
	US\$	US\$
Reconciliation of net loss after tax to net cash flows from operations		
Net loss after related income tax	(9,237,776)	(7,441,349)
<i>Adjustment for non-cash income and expense items:</i>		
Depreciation	28,050	32,633
Drilling provision reversal	(820,912)	-
Share of associate profit/loss	2,918,461	1,677,500
Impairment expense	3,172,081	
Asset write off	-	113,430
Unrealised foreign exchange (gains)/losses	141,035	351,078
Other	(24,337)	-
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	107,084	238,045
(Increase) / decrease in prepayments	(12,399)	(29,551)
Increase /(decrease) in payables	(5,199)	(135,463)
Net cash outflow from operating activities	<u>(3,733,912)</u>	<u>(5,193,677)</u>

b) Non Cash Financing and Investing Activities

During the year ended 31 December 2015, there were no non-cash financing and investing activities.

7. TRADE AND OTHER RECEIVABLES

	31 December 2015	31 December 2014
	US\$	US\$
GST	19,552	17,765
Security deposits	136,614	100,838
Other debtors	222,513	331,381
Joint venture partner receivable	1,396,453	1,396,453
Provision for joint venture partner receivable	(1,396,453)	(1,396,453)
	<u>378,679</u>	<u>449,984</u>

Other receivables are non-interest bearing (excluding security deposits) and are generally on 30-90 day terms.

The joint venture partner receivable due on the joint venture partner 49% share of the development costs funded by the Company at the Mkushi Copper Project has been fully provided for as at 31 December 2013. This amount is recoverable under the sale agreement for the project. Refer to Note 19 for further information on trade and other receivables.

8. PREPAYMENTS

	31 December 2015	31 December 2014
	US\$	US\$
Other	42,138	29,741
	<u>42,138</u>	<u>29,741</u>

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Notes to the consolidated financial statements

9. PROPERTY, PLANT & EQUIPMENT

Plant & Equipment	31 December 2015 US\$	31 December 2014 US\$
<i>Office equipment</i>		
Opening balance	230,670	362,329
Additions	680	14,405
FX	(689)	
Disposals	-	(113,431)
Depreciation expense	(28,050)	(32,633)
At 31 December, net of accumulated depreciation	<u>202,611</u>	<u>230,670</u>

10. OTHER FINANCIAL ASSETS

Investments	31 December 2015 US\$	31 December 2014 US\$
Available for sale financial assets – at fair value	-	1,841,854
	<u>-</u>	<u>1,841,854</u>

During the financial period, the Company reviewed the convertible note and investment in Elephant Copper. The Company adopted a conservative approach and on the recommendation of the Risk & Audit Committee, impaired these assets to nil. The decision was based on a number of factors, including but not limited to, the fall in current market conditions and a lower copper price, which will potentially impact Elephant Coppers intended capital raising. Refer to Note 21 for more information.

11. TRADE AND OTHER PAYABLES

	31 December 2015 US\$	31 December 2014 US\$
Trade creditors – third parties	116,143	105,466
Accrued expenses	136,394	171,100
	<u>252,537</u>	<u>276,566</u>

Trade payables are non-interest bearing and are normally settled on 30 to 60 day terms. There are no amounts that are expected to be settled greater than 12 months. Refer to Note 19 for further information on trade and other payables.

12. PROVISIONS

	31 December 2015 US\$	31 December 2014 US\$
Employee entitlements*	142,169	123,339
Provision for drilling costs	-	820,912
	<u>142,169</u>	<u>944,251</u>

* Includes provision for Annual Leave

(a) Movement in Provision

	Provisions
At 1 January 2015	944,251
Employee entitlements	18,830
Drilling accrual reversal	(820,912)
At 31 December 2015	<u>142,169</u>

Employee entitlements

Refer Note 1(d) for the relevant accounting policy applied in the measurement of this provision.

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12. PROVISIONS cont.*Provision for drilling costs*

A provision was made in the prior year for the Company's share of drilling costs not yet reflected in the accounts of the associates. These costs have since been reflected in the associate's accounts.

13. CONTRIBUTED EQUITY AND RESERVES

	31 December 2015 Number	31 December 2014 Number	31 December 2015 US\$	31 December 2014 US\$
(a) Issued and paid up capital:	134,252,237	111,973,237	124,708,862	113,900,141

Fully paid shares carry one vote per share and the right to dividends. The Company is authorised to issue an unlimited number of shares of no par value of a single class.

Movements in contributed equity during the period were as follows:

<i>(i) Shares</i>	Number	US\$
Opening balance at 1 January 2015	111,973,237	113,900,141
Shares issues	22,279,000	11,762,803
Shares issue costs	-	(954,082)
Total shares on issue at 31 December 2015	<u>134,252,237</u>	<u>124,708,862</u>

	Number	US\$
Opening balance at 1 January 2014	326,538,643	34,162,759
Share consolidation 1:10	(293,884,779)	-
Shares issued under Scheme*	79,319,206	79,737,142
Shares issued on exercise of options	167	240
Total shares on issue at 31 December 2014	<u>111,973,237</u>	<u>113,900,141</u>

*Refer Note 23 for more information

Fully paid shares carry one vote per share and the right to dividends. The Company is authorised to issue an unlimited number of shares of no par value of a single class.

Movements in contributed equity during the period were as follows cont.:

<i>(ii) Options</i>	Number
Opening balance at 1 January 2015	8,784,687
Exercise of options	-
Total options on issue at 31 December 2015	<u>8,784,687</u>

	Number
Opening balance at 1 January 2014	-
Options issued under Scheme*	8,784,854
Exercise of options	(167)
Total options on issue at 31 December 2014	<u>8,784,687</u>

*Exercisable at C\$1.50 on or before 4 June 2017.

The options issued in the prior period (under the Scheme of Arrangement with Sierra Mining Limited) were valued using the Black and Scholes method with the following assumptions:

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13. CONTRIBUTED EQUITY AND RESERVES cont.

Number of options	8,784,854
Grant date share price	C\$1.10
Exercise price	C\$1.50
Expected volatility	90%
Option life	3 years
Dividend yield	0.00%
Interest rate	1.2%

(b) Reserves

	Acquisition \$US	Share based payments \$US	Foreign currency translation US\$	Total \$US
At 1 January 2015	(4,300,157)	7,601,285	(101,433)	3,199,695
Share of gain on translation of associates	-	-	371,352	371,352
Exchange differences on translation of foreign operations	-	-	(125,476)	(125,476)
At 31 December 2015	(4,300,157)	7,601,285	144,443	3,445,571

	Acquisition \$US	Share based payments \$US	Foreign currency translation US\$	Total \$US
At 1 January 2014	(4,300,157)	3,139,200	-	(1,160,957)
Options issued under Scheme	-	4,462,085	-	4,462,085
Other comprehensive loss for the year	-	-	(101,433)	(101,433)
At 31 December 2014	(4,300,157)	7,601,285	(101,433)	3,199,695

Nature and purpose of reserves*Acquisition reserve*

The acquisition reserve is used to record the difference between the consideration transferred and the equity acquired for common control business combinations.

Share based payment reserve

The share based payment reserve is used to record the value of share based payments provided to employees, including key management personnel and directors as part of remuneration. The notional value attributed to the shares issued under the Loan Share Plan is included in this reserve as accounting standards deem the non recourse loan to contain an embedded option (Refer to Note 20).

Foreign currency translation reserve ("FCTR")

Exchange differences arising on translation of the controlled entity and the Company's share of associates FCTR are recorded in other comprehensive income as described in Note 23 and accumulated in a reserve within equity. The cumulative amount is reclassified to profit of loss when the net investment is disposed of.

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13. CONTRIBUTED EQUITY AND RESERVES cont.**(c) Accumulated losses**

	\$US
At 1 January 2015	(25,853,389)
Net loss for the year	(9,237,776)
At 31 December 2015	<u>(35,091,165)</u>

	\$US
At 1 January 2014	(18,412,040)
Net loss for the year	(7,441,349)
At 31 December 2014	<u>(25,853,389)</u>

(d) Dividends

No dividends were paid or proposed during or since the end of the financial year.

Refer to Note 19 for information on capital risk management.

14. AUDITOR'S REMUNERATION

	31 December 2015	31 December 2014
<i>The auditor of the Company is BDO Audit (WA) Pty Ltd.</i>		
	US\$	US\$
<i>Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:</i>		
• An audit or review of the financial report of the entity and any other entity in the consolidated group.	65,767	85,809
• Other services in relation to the entity and any other entity in the consolidated group		
- Tax compliance	68,895	46,191
- Other assurance services	210	23,874
	<u>134,872</u>	<u>155,874</u>

15. LOSS PER SHARE

Basic Earnings Per Share ("EPS") is calculated as net profit/(loss) attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of shares, adjusted for any bonus element. Diluted EPS is calculated as net profit/(loss) attributable to members, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential shares divided by the weighted average number of shares and dilutive potential shares, adjusted for any bonus element.

The following reflects the income and share data used in the basic and diluted loss per share calculation:

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15. LOSS PER SHARE cont.**(a) Loss used in calculating earnings per share**

	31 December 2015 US\$	31 December 2014 US\$
Loss attributable to ordinary equity holders of the parent		
-Continuing operations	(9,237,776)	(7,441,349)
-Discontinued operations		-
Loss attributable to ordinary equity holders of the Parent for basic earnings	(9,237,776)	(7,441,349)

(b) Weighted average number of shares

	Number of Shares	Number of Shares
Weighted average number of shares used in calculating basic EPS	130,450,171	78,471,188
Effect of dilutive options		-
<i>Adjusted weighted average number of shares used in calculating diluted earnings per share</i>	<i>130,450,171</i>	<i>78,471,188</i>

16. RELATED PARTY DISCLOSURE

The consolidated entity consists of RTG and its subsidiaries and joint ventures listed in the following table:

Name of Entity	Country of Incorporation	Equity Interest (%)	Investment (US\$)	Equity Interest (%)	Investment (US\$)
		31 December 2015	31 December 2015	31 December 2014	31 December 2014
Controlled Entities					
Sierra Mining Pty Ltd	Australia	100	-	100	-
SRM Gold Limited	British Virgin Islands	100	-	100	-
Sierra Philippines Pty Ltd	Australia	100	-	100	-
Ratel Group Limited	British Virgin Islands	100	2	100	2
CGX Limited	British Virgin Islands	100	2	100	2
Ilesha Mining Holdings Limited	British Virgin Islands	100	22,546	100	22,546
Ilesha Mining Co-operative	The Netherlands	100	39,845	100	39,845
Ilesha Mining Limited	The Netherlands	100	40	100	40
Segilola Gold Ltd ⁽¹⁾	Nigeria	100	100,555	100	100,555
Joint Ventures					
Segilola Joint Venture Co ⁽¹⁾	Nigeria ⁽¹⁾	38 ⁽¹⁾	-	38 ⁽¹⁾	-

RTG has entered into a sale agreement for its interest in the Segilola Gold Project in Nigeria for a total consideration of US\$14M, which to date the purchaser is in default on. The sale provides for the settlement of the related disputes in relation to the Segilola Gold Project between Ratel Group, SGL, TML, SROL, Bakrie Delano Africa Limited, NGM Resources Limited and Mr Oladipo Delano under the terms of an agreed settlement deed ("Settlement Deed"). The disputes concern a purported termination of the Joint Venture Agreement. This includes the settlement of the injunctive proceedings brought by SGL before the Court and the interim injunction issued against SGL by the Court dated June 18, 2012. On the completion date of the Segilola Sale, signed counterparts of the Settlement Deed will be released from escrow and the terms of the Settlement Deed will come into effect. As a result, each of the injunctive proceedings are expected to be discontinued with no order as to costs and each party will bear their own costs. The purchaser is in default of their obligations for completion and has advised they are seeking to remedy the default.

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16. RELATED PARTY DISCLOSURE cont.**(a) Controlling Entity**

The ultimate controlling entity of the wholly owned group is RTG Mining Inc.

(b) Other transactions with related parties**Transactions with related parties**

Transactions with related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers and directors as follows for the twelve months ended December 31, 2015 and 2014:

Name	Nature of transactions
Coverley Management Services Pty Ltd	Consulting as Director

The company paid the following fees in the normal course of operation in connection with companies owned by directors.

	31 December 2015	31 December 2014
Directors fees	53,085	53,238
Total	53,085	53,238

During the period ended 31 December 2015 the Group entered into transactions with related parties in the wholly-owned group:

- loans of \$24,655 were advanced on short term inter-company accounts, and
- loans of \$4,630,125 were advanced on to associates of the Company.

These transactions were undertaken on the following terms and conditions:

- loans are repayable at call; and
- no interest is payable on the loans at present.

(c) Key management personnel compensation

	31 December 2015	31 December 2014
	US\$	US\$
Short term employee benefits	1,158,222	1,433,427
Post-employment benefits	81,838	101,659
Long term benefits	85,586	65,267
Share based payments	-	-
	1,325,646	1,600,353

Detailed remuneration disclosures are provided in the remuneration report on pages 10 to 17.

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17. PARENT ENTITY INFORMATION

	31 December 2015 US\$	31 December 2014 US\$
Information relating to RTG:		
Current assets	4,760,333	2,600,234
Total assets	94,103,564	93,431,944
Current liabilities	(1,239,406)	(399,905)
Total liabilities	(1,239,406)	(1,353,164)
Issued capital	124,708,862	113,900,141
Share option reserve	7,601,285	7,601,285
Asset acquisition reserve	(4,974,629)	(4,974,629)
Accumulated losses	(34,471,359)	(24,448,017)
Total shareholders' equity	92,864,159	92,078,780
Loss of the parent entity	(9,174,190)	(3,418,698)
Total comprehensive income/(loss) of the parent entity	(9,174,190)	(3,418,698)

18. COMMITMENT AND CONTINGENCIES

31 December 2015	Payments due by period				
	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
Contractual obligations					
Lease obligations ¹	103,275	103,275	-	-	-
Total contractual obligations	103,275	103,275	-	-	-
¹ Corporate office lease payments due.					
31 December 2014	Payments due by period				
Contractual obligations	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
Lease obligations ¹	309,825	206,550	103,275	-	-
Total contractual obligations	309,825	206,500	103,275	-	-
¹ Corporate office lease payments due.					

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, receivables, and payables. The Company currently has in place an active program of financial forecasting and budgeting both at a corporate and project level to manage both the application of funds and planning for future financial needs to ensure that any shortfall in funds is adequately covered by cash reserves or planned new sources being either debt or equity based on the then most cost effective weighted average cost of capital.

Risk management is carried out by management and the board of directors of the ultimate parent company (the "Board") under policies approved by the Board. The Board also provides regular guidance for overall risk management, including guidance on specific areas, such as mitigating foreign exchange, interest rate and credit risk.

The Group does not enter into financial instruments, including derivative financial instruments, for trade or speculative purposes.

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19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES cont.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for trading in derivatives, credit limits and future cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1.

Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposures to credit risk at the reporting date in relation to each class of financial asset is the carrying amounts of those assets as indicated in the statement of financial position. Receivable balances are monitored on an ongoing basis and to the extent that recovery is deemed to be uncertain the Company raises a provision or impairs the asset against expected recover. To date the only receivable provided for has been the Elephant Copper receivable of \$1.4M which has been fully provided for.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The Group monitors this credit risk through holding its cash through banks with a Standard and Poors credit rating of 'A' or greater. The credit risk associated with cash and cash equivalents is considered negligible by the Group. The Group does not hold collateral as security.

The Group does not have any other receivables past due or impaired.

Interest rate risk

At reporting date, the Group's maximum exposure to interest rate risk is as follows:

	Note	31 December 2015 US\$	31 December 2014 US\$
Cash and cash equivalents			
US\$ balances held	6	-	-
AU\$ balances held	6	820,355	1,011,824
CAD\$ balances held	6	-	-
		820,355	1,011,824

The Group constantly analyses its interest rate exposure. Consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

The Group's policy is to manage its exposure to interest rate risk by holding cash in short term fixed rate deposits and variable rate deposits. The Group's exposure to interest rate risk on post-tax profit or loss arises from higher or lower interest income from cash and cash equivalents.

RTG MINING INC.

Notes to the consolidated financial statements

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES cont.**Foreign currency risk**

At reporting date, the Group had the following exposure to foreign currencies (AUD), (EUR) and (CAD) on financial instruments that are not designated as cash flow hedges:

	31 December 2015	31 December 2014
	US\$	US\$
Financial Assets		
Cash and cash equivalents	1,231,040	1,153,502
Trade and other receivables	138,074	231,401
Prepayments	42,138	29,741
	<u>1,411,252</u>	<u>1,414,644</u>
Financial Liabilities		
Trade and other payables	246,886	97,982
	<u>246,886</u>	<u>97,982</u>
Net exposure	<u>1,164,366</u>	<u>1,316,652</u>

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will maintain sufficient cash or credit terms with its suppliers to meet the operating requirements of the business and invest excess funds in highly liquid short term cash deposits. Maintaining surplus working capital in highly liquid short term deposits allows the Group to meet its primary objectives by being able to fund new development and acquisition opportunities at short notice.

The responsibility for liquidity risk rests with the Board of Directors. The Group's liquidity needs can likely be met through cash on hand, short and long-term borrowings subject to the current forecast operating parameters being met.

The contractual maturities of the Group's financial liabilities are as follows:

	31 December 2015	31 December 2014
	US\$	US\$
Within one month		
Trade creditors	252,537	105,466
One Month or later and no later than one year		
Trade creditors	-	274,439
	<u>252,537</u>	<u>379,905</u>

The Group manages liquidity risk through maintaining sufficient cash loan facilities or credit terms with its suppliers to meet the operating requirements of the business and investing excess funds in highly liquid short term cash deposits. The Group's liquidity needs can likely be met through existing cash on hand, subject to the current forecast operating parameters being met.

Sensitivity Analysis

The following table summarises the sensitivity of the Group's financial assets and liabilities to interest rate risk and foreign exchange rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post tax profit and equity would have been affected as shown.

RTG MINING INC.

Notes to the consolidated financial statements

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES cont.

Consolidated 31 December 2015 Financial assets	Note	Carrying Amount \$	Interest rate risk				Foreign exchange risk			
			Negative movement		Positive movement		Negative movement		Positive movement	
			Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Cash and cash equivalents										
USD	2	3,330,702	-	-	-	-	-	-	-	-
AUD	1,2	820,355	(8,203)	(8,203)	8,203	8,203	(82,035)	(82,035)	82,035	82,035
CAD	2	396,328	-	-	-	-	(39,632)	(39,632)	39,632	39,632
EUR	2	14,332	-	-	-	-	(1,433)	(1,433)	1,433	1,433

1.The sensitivities show the net effect of a 10% movement in the USD against the AUD, CAD, EUR. Sensitivity rates have been based on 12 month averages.

2.The sensitivities show the net effect of a 1% movement in AUD and USD interest rates, respectively. Sensitivity rates have been based on 12 month averages.

Consolidated 31 December 2014 Financial assets	Note	Carrying Amount \$	Interest rate risk				Foreign exchange risk			
			Negative movement		Positive movement		Negative movement		Positive movement	
			Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Cash and cash equivalents										
USD	2	1,241,472	(12,409)	(12,409)	12,409	12,409	-	-	-	-
AUD	1,2	1,011,824	(1,637)	(1,637)	1,637	1,637	(101,182)	(101,182)	101,182	101,182
CAD	2	108,462	-	-	-	-	(10,846)	(10,846)	10,846	10,846
EUR	2	33,216	-	-	-	-	(3,322)	(3,322)	3,322	3,322

1.The sensitivities show the net effect of a 10% movement in the USD against the AUD, CAD, EUR. Sensitivity rates have been based on 12 month averages.

2.The sensitivities show the net effect of a 1% movement in AUD and USD interest rates, respectively. Sensitivity rates have been based on 12 month averages.

Capital risk management

The Group's total capital is defined as equity attributable to equity holders of the parent and cash and cash equivalents amounted to \$129,270,578 at 31 December 2015.(31 December 2014:\$ 116,295,115)

The Group's capital management objectives are to safeguard the business as a going concern, to maintain a capital base sufficient to maintain future exploration and development of its projects. Management may issue more shares or repay debts in order to maintain the optimal capital structure.

The Group does not have a target debt/equity ratio, but maintains a flexible financing structure so as to be able to take advantage of new investment opportunities that may arise. The Group monitors its capital risk management through annual cash flow projections and monthly reporting against budget.

20. SHARE BASED PAYMENTS**Loan funded share plan**

Shares issued pursuant to the Loan Funded Share Plan are for services rendered to date by eligible employees and directors to date and, going forward, for services rendered by existing and any new eligible employees and directors who are appointed in the future. The purposes of the Plan are to motivate and retain employees, attract quality employees to the Group create commonality of purpose between the employees and the Group, create wealth for shareholders by motivating the employees, and enable the employees to share the rewards of the success of the

RTG MINING INC.

Notes to the consolidated financial statements

Group. Where the Company offers to issue incentive shares to a Director employee, the Company may offer to provide the recipient with a limited recourse, interest free loan to be used for the purposes of subscribing for the shares in the Company. The Company's recourse to repayment of the loans is limited to the lesser of:

- a) The original loan to the participant less any repayments made; or
- b) The market value of the shares as at the date of repayment of the loan.

Loan Funded Share Plan Shares issued at 31 December 2015

Name	Date of issue	Share issue price (\$C)*	Balance at 1 January 2015	Other Changes	Granted during the period	Forfeited during the period	Balance at 31 December 2015
Michael Carrick	28 March 2013	1.65	300,000	-	-	-	300,000
Justine Magee	28 March 2013	1.65	300,000	-	-	-	300,000
David Cruse	28 March 2013	1.65	50,000	-	-	-	50,000
Philip Lockyer	28 March 2013	1.65	50,000	-	-	-	50,000
Robert Scott	28 March 2013	1.65	50,000	-	-	-	50,000
Mark Turner	28 March 2013	1.65	250,000	-	-	-	250,000
Other employees	28 March 2013	1.65	250,000	-	-	-	250,000

Loan Funded Share Plan Shares issued at 31 December 2014

Name	Date of issue	Share issue price (\$C)*	Balance at 1 January 2014	Other Changes*	Granted during the period	Forfeited during the period	Balance at 31 December 2014
Michael Carrick	28 March 2013	1.65	3,000,000	(2,700,000)	-	-	300,000
Justine Magee	28 March 2013	1.65	3,000,000	(2,700,000)	-	-	300,000
David Cruse	28 March 2013	1.65	500,000	(450,000)	-	-	50,000
Philip Lockyer	28 March 2013	1.65	500,000	(450,000)	-	-	50,000
Robert Scott	28 March 2013	1.65	500,000	(450,000)	-	-	50,000
Mark Turner	28 March 2013	1.65	2,500,000	(2,250,000)	-	-	250,000
Hannah Hudson	28 March 2013	1.65	1,500,000	(1,350,000)	-	-	150,000**
Other employees	28 March 2013	1.65	2,500,000	(2,250,000)	-	-	250,000

*The Company completed a 1:10 share consolidation on 28 May 2014 prior to the completion of the Scheme of Arrangement on 4 June 2014.

** Balance at resignation date, 9 September 2014.

RTG MINING INC.

Notes to the consolidated financial statements

21. FAIR VALUE MEASUREMENTS

The Group measures the following assets at fair value on a recurring basis:

- Available for sale financial assets
- Derivative financial asset

Fair value hierarchy

IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Recognised fair value measurements

The following table presents the Group's assets measured at fair value at 31 December 2015.

At 31 December 2015	Notes	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Available for sale financial asset		-	-	-	-
Derivative financial asset		-	-	-	-
Total financial assets		-	-	-	-
At 31 December 2014	Notes	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Available for sale financial asset		-	-	1,841,854	1,841,854
Derivative financial asset		-	-	1,330,228	1,330,228
Total financial assets		-	-	3,172,082	3,172,082

Disclosed fair values

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

Valuation techniques used to derive level 2 and 3 fair values

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all the specific inputs required to fair value an instrument are observable, the instrument is classified as level 2. If one or more of the significant inputs is not based on market observable data, the instrument is classified as level 3. The Entity holds an investment and convertible note receivable from Elephant Copper Limited, an unlisted entity. The investment in Elephant Copper Limited was initially valued based on RTG's 18% interest in Elephant Copper Limited's net asset carrying value, which is considered to equate to Elephant Copper Limited's fair value of \$10M, based on audited information and an independent valuation. The convertible note valuation was based on the investment interest RTG is entitled to receive in Elephant Copper Limited's net asset carrying value, should RTG elect to receive the convertible note receivable in the form of shares. Hence these items have been classified as Level 3 as there is no active market to be able to observe the fair market value of the shares to determine the fair values used for the financial instruments.

The following table presents the changes in level 3 items for the period ended 31 December 2015.

	Available for sale financial assets US\$	Derivative financial asset US\$	Total US\$
Opening balance at 1 January 2015	1,841,854	1,330,228	3,172,082
Movement in fair value		-	-
Total financial assets	-	-	-
Impairment*	(1,841,854)	(1,330,228)	(3,172,082)
At 31 December 2015	-	-	-

RTG MINING INC.

Notes to the consolidated financial statements

21. FAIR VALUE MEASUREMENTS cont.

	Available for sale financial assets	Derivative financial asset	Total
	US\$	US\$	US\$
Opening balance at 1 January 2014	1,841,854	1,330,228	3,172,082
Movement in fair value	-	-	-
Total financial assets	-	-	-
Acquisitions	-	-	-
At 31 December 2014	1,841,854	1,330,228	3,172,082

*During the financial period, the Company reviewed its investment and convertible note in Elephant Copper. The Company adopted a conservative approach and on the recommendation of the Risk & Audit Committee, decided to impair the assets to nil. The decision was based on a number of factors, including but not limited to, the fall in current market conditions and a lower copper price, which will potentially impact Elephant Coppers intended capital raising.

Fair value of other financial instruments not measured at fair value

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The loans to associates are currently not carried at fair value, however any potential differences between the carrying value and fair value would be considered immaterial.

22. SEGMENT REPORTING NOTE

The Company's operations are segmented on a regional basis and are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments has been defined as the Chief Executive Officer.

The Company operates in a single segment, being mineral exploration and development. With the exception of its some of its minor exploration and evaluation assets which are held in Africa, all of the Company's other significant assets are held in the Philippines (see Note 23).

The following is the geographical locations of the Company's assets:

31 December 2015

Operating segment	Philippines 2015 US\$	Australia 2015 US\$	Other 2015 US\$	Consolidated Total 2015 US\$
Revenue				
Segment revenue from external customers	-		-	
Interest revenue	-	4,059	-	4,059
Total revenue as per statement of comprehensive income				4,059

RTG MINING INC.

Notes to the consolidated financial statements

22. SEGMENT REPORTING NOTE cont.

Results	Philippines	Australia	Other	Consolidated Total
	US\$	US\$	US\$	US\$
Segment profit/(loss) before tax	(2,097,550)	(7,076,631)	(63,595)	(9,237,776)
Revenue	-	4,059	-	4,059
Administrative expenses	-	(2,384,387)	(60,544)	(2,444,931)
Foreign exchange	-	(8,252)	(3,050)	(11,302)
Share of associate profit/(loss)	(2,097,550)	-	-	(2,097,550)
Impairment expense	-	-	(3,172,082)	(3,172,082)
Other expenses	-	(1,515,971)	-	(1,515,970)
Segment profit/(loss) before income tax as per statement of comprehensive income				(9,237,776)
Depreciation expense	-	(28,050)	-	-
31 December 2015	Philippines 2015	Australia 2015	Other 2015	Consolidated Total 2015
	US\$	US\$	US\$	US\$
Segment assets				
Corporate assets	88,272,829	5,170,008	15,137	93,457,974
Total assets as per statement of financial position				93,457,974
Segment liabilities				
Corporate liabilities	-	(394,706)	-	(394,706)
31 December 2014				
Operating segment	Philippines 2014	Australia 2014	Other 2014	Consolidated Total 2014
	US\$	US\$	US\$	US\$
Revenue				
Segment revenue from external customers	-	194	-	194
Interest revenue	-	31,431	-	31,431
Total revenue as per statement of comprehensive income				31,625
Results	Philippines	Australia	Other	Consolidated Total
	US\$	US\$	US\$	US\$
Segment profit/(loss) before tax	(1,677,500)	(5,560,483)	(203,366)	(7,441,349)
Revenue	-	31,625	-	31,625
Administrative expenses	-	(3,631,376)	(206,553)	(3,837,929)
Foreign exchange	-	(381,444)	(5,324)	(386,768)
Share of associate profit/(loss)	(1,677,500)	-	-	(1,677,500)
Other expenses	-	(1,579,288)	8,511	(1,570,777)
Segment profit/(loss) before income tax as per statement of comprehensive income				(7,441,349)
Depreciation expense	-	(32,633)	-	-

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Notes to the consolidated financial statements

22. SEGMENT REPORTING NOTE cont.

31 December 2014	Philippines 2014	Australia 2014	Other 2014	Consolidated Total 2014
	US\$	US\$	US\$	US\$
Segment assets				
Corporate assets	86,189,813	3,070,689	3,206,763	92,467,264
Total assets as per statement of financial position				92,467,264
Segment liabilities				
Corporate liabilities	(820,912)	(399,905)	-	(1,220,817)

23. INVESTMENT IN ASSOCIATES**(a) Acquisition of interest**

On 4 June 2014, RTG completed the implementation of the Schemes pursuant to the terms of the previously-announced Scheme Implementation Deed dated February 24, 2014 (the "Deed") between RTG and Sierra Mining Limited ("Sierra") to acquire all of the outstanding securities of Sierra.

Pursuant to the Schemes, RTG acquired a direct 40% interest in each of Mt Labo Exploration & Development Corporation, St Ignatius Exploration and Mineral Resources Corporation, Bunawan Mining Corporation and Oz Metals Exploration and Development Corporation and a further indirect interest in Mt Labo Exploration and Development Corporation. All of these companies are incorporated in the Philippines. As the acquisition of Sierra was not deemed a business acquisition, the transaction was be accounted for as a share based payment for the net assets acquired.

The consideration payable was 79,063,206 RTG shares and 8,784,854 RTG listed options. Details of the fair value of the assets and liabilities acquired as at 4 June 2014 were as follows:

<u>Purchase consideration comprised</u>	<u>31 December 2014</u>
	<u>US\$</u>
79,063,206 shares*	79,737,140
8,784,854 listed options*	4,462,085
Total consideration	84,199,225
Costs associated with acquisition	1,093,842
	85,293,067

*Share issue price C\$1.10, option issue value C\$0.554
(This was the closing price on issue of 4/6/2014)

Net assets acquired

	Recognised at acquisition US\$	Carrying value US\$
Cash and cash equivalents	1,327,666	1,327,666
Trade and other receivables	349,013	349,013
Investment in associates	83,989,104 ⁽¹⁾	1,366,798
	85,665,783	3,043,477
Trade and other payables	(372,716)	(372,716)
Fair value of identifiable net assets	85,293,067	2,670,761

RTG MINING INC.

Notes to the consolidated financial statements

23. INVESTMENT IN ASSOCIATES cont.Cash inflow on acquisition

Net cash at acquisition date	1,327,666
Direct costs related to acquisition	(1,093,842)
	233,824

(1) Investment in associate at 31 December 2014

	31 December 2015 US\$	31 December 2014 US\$
Opening balance	83,197,341	-
Investment in associate	-	83,989,104
Share of associates net loss	4(d) (2,918,461)	(856,588)
Share of foreign currency translation reserve	371,352	64,825
Closing balance	80,650,232	83,197,341

(b) Summarised financial information

The following table illustrates summarised financial information relating to the Group's associates:

Extract from the associates statement of financial position

31 December 2015	Bunawan Mining Corporation	Oz Metals Exploration & Development Corporation	St Ignatius Exploration & Mineral Resources Corporation	Mt Labo Joint Venture	Total
Current assets	57,640	21,662	2,572	478,939	560,813
Non-current assets	443,551	65,884	113,712	1,324,880	1,948,027
	501,191	87,546	116,284	1,803,819	2,508,840
Current liabilities	6,161,597	23,421	74,705	9,555,249	15,814,972
Non-current liabilities	189,138	2,216,903	-	70,683	2,476,724
	6,350,735	2,240,324	74,705	9,625,932	18,291,696
Net assets/(liabilities)	(5,849,544)	(2,152,778)	41,579	(7,822,113)	(15,782,856)
Share of associates net profit/(loss)	(521,763)	(138,936)	(1,350)	(2,256,412)	(2,918,462)
Group share of net assets (\$)	(2,339,817)	(861,111)	16,631	(3,128,845)	(6,313,142)
Closing share of Net Assets Total					(6,313,142)
Add: Fair Value Uplift					86,955,500*
Add: share of associate FCTR					7,874
					80,650,232

RTG MINING INC.

Notes to the consolidated financial statements

23. INVESTMENT IN ASSOCIATES cont.

31 December 2014	Bunawan Mining Corporation	Oz Metals Exploration & Development Corporation	St Ignatius Exploration & Mineral Resources Corporation	Mt Labo Exploration & Development Corporation	Mt Labo Joint Venture	Total
Current assets	386,236	44,876	13,680	-	409,769	854,561
Non-current assets	519,968	130,102	109,200	-	2,074,882	2,834,152
	906,204	174,978	122,880	-	2,484,651	3,688,713
Current liabilities	348,067	-	-	-	220,707	568,774
Non-current liabilities	5,363,337	2,355,518	75,669	-	4,821,497	12,616,021
	5,711,404	2,355,518	75,669	-	5,042,204	13,184,795
Net assets/(liabilities)	(4,805,200)	(2,180,540)	47,211	-	(2,557,553)	(9,496,082)
Share of associates net profit/(loss)	(237,176)	95,929	(138)	8,235	(720,472)	(853,622)
Share of associate FCTR	32,742	18,065	(373)	-	14,392	64,826
Group share of net assets (\$)	(1,922,080)	(872,215)	18,884	-	(1,047,574)	(3,822,985)
Closing share of Net Assets Total						(3,822,985)
Add: Fair Value Uplift						86,955,500*
Add: share of associate FCTR						64,826
						<u>83,197,341</u>

*The fair value uplift attributable to the excess of SRM's interest in the associate entities carried at cost, over SRM's share of the net assets of the associate entities at the time they were acquired by RTG.

Throughout the period the associates changed their reporting date to 31 December.

The associate had no contingent liabilities or capital commitments as at 31 December 2015 (Nil: 31 December 2014).

24. LOANS TO ASSOCIATE

On 4 June 2014, RTG completed the implementation of the Schemes to acquire the outstanding securities of Sierra. Pursuant to the Schemes, RTG has acquired a direct 40% interest in each of Mt Labo Exploration & Development Corporate, St Ignatius Exploration and Mineral Resource Corporate, Bunawan Mining Corporation and Oz Metals Exploration and Development Corporation and a further indirect interest in Mt Labo Exploration and Development Corporation.

The loan balance for the period to 31 December 2015 was \$7.622M, and throughout the year the Company has funded the Company's share of costs associated with the following:

- o completion of the FS;
- o extensive drilling for preparation of 2 JORC and NI43-101 compliant resource statements;
- o extensive metallurgical test work and resource modelling; and
- o completion of a Philippine compliant feasibility study on the proposed DSO to fast track permitting for proposed operations.

RTG MINING INC.

Notes to the consolidated financial statements

24. LOANS TO ASSOCIATE cont.

	31 December 2015	31 December 2014
	US\$	US\$
Loans to associates	<u>7,622,597</u>	<u>2,992,472</u>
	<u>7,622,597</u>	<u>2,992,472</u>

These transactions were undertaken on commercial terms and conditions, except that:

- I. there is no fixed repayment of the loan; and
- II. no interest payable on the loans at present.

25. EVENTS AFTER REPORTING DATE

The Company announced on March 18, 2016 the results from an independent FS for 100% of the high grade Mabilo Copper/Gold Project in southeast Luzon, Philippines. The Feasibility Study demonstrates the potential for Mabilo to outperform, specifically reinforcing the resilience of the Project despite current commodity prices. The Project is both high grade and low cost underpinning the robust economics presented in the FS including a 33% IRR after tax (43.6% with only a 10% lift in commodity prices) and an equivalent operating cost of US\$0.80/lb copper equivalent or US\$425/oz gold equivalent for concentrate production.

DIRECTORS DECLARATION

In accordance with a resolution of the directors of the Company, I state that in the opinion of the Directors:

- (a) the financial statements and notes of the consolidated entity:
 - (i) give a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the twelve month period ended 31 December 2015; and
 - (ii) comply with International Accounting Standards and other mandatory professional reporting standards; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.



JUSTINE ALEXANDRIA MAGEE
Director

Perth, 30 March, 2016

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF RTG MINING INC.

As lead auditor of RTG Mining Inc. for the year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of RTG Mining Inc. and the entities it controlled during the period.



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 30 March 2016

INDEPENDENT AUDITOR'S REPORT

To the members of RTG Mining Inc.

Report on the Financial Report

We have audited the accompanying financial report of RTG Mining Inc., which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of RTG Mining Inc., would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of RTG Mining Inc. is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1a).

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of RTG Mining Inc. for the year ended 31 December 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink. The signature consists of the letters 'BDO' in a simple, blocky font, followed by 'J Prue' in a cursive script.

Jarrad Prue

Director

Perth, 30 March 2016

AUSTRALIAN SECURITIES EXCHANGE ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report. The additional information was applicable as at 26 February 2016.

DISTRIBUTION OF ALL SECURITY HOLDERS

Analysis of numbers of Shareholders by size of holding:

Category	Number of Shareholders
1 - 1,000	2
1,001 - 5,000	-
5,001 - 10,000	-
10,001 - 100,000	3
100,001 and over	6
	<hr/> 11

There are 2 shareholders holding less than a marketable parcel of shares.

SUBSTANTIAL SHAREHOLDERS

There are two substantial shareholders as defined under the Corporations Act 2001.

Name	Number of Equity Securities	Power %
Hains Family	19,452,359	14.49%
B2Gold	13,551,574	10.10%

VOTING RIGHTS

The voting rights attached to each class of equity security are as follows:

SHARES

Each share is entitled to one vote when a poll is called otherwise each member present at a meeting or by proxy has one vote on a show of hands.

CHESS DEPOSITARY NOMINEE (CDI) HOLDERS

A CDI represents a beneficial interest in an underlying Share. CDIs rank equally in all respects with existing Shares in RTG Mining Inc.; however, there are certain differences between CDIs and Common Shares (in particular in relation to voting and how other rights are exercised)

OPTIONS

These securities have no voting rights.

The Company has used its cash in a way consistent with its business objectives.

TOP 20 SHARE HOLDERS

Rank	Name	Shares	% of Units
1.	CHESS DEPOSITARY NOMINEES PTY LIMITED	99,560,640	74.16
2.	CDS & CO	28,979,454	21.59
3.	MARK SAVAGE REVOCABLE TRUST	1,846,200	1.38
4.	RTG MINING INC <EMPLOYEE SHARE PLAN A/C>	1,400,000	1.04
5.	JAYVEE & CO TR FRANKLIN GOLD AND PRECIOUS METALS FUND	1,397,790	1.04
6.	JAYVEE & CO TR FRANKLIN GOLD AND PRECIOUS METALS FUND	1,000,000	0.74
7.	SALIM SHARIFF	30,000	0.02
8.	EXCHANGES CONTROL FOR CLASS M01	24,246	0.02
9.	CASTLE SPRINGS PTY LTD	13,889	0.01
10.	JULIENNE PAULA DADLEY BULL	10	0.00
11.	EXCHANGES CONTROL FOR CLASS C01	8	0.00
	Total Top Holders Balance	134,252,237	100
	Total Number of Shares on Issue	134,252,237	100

TOP 20 QUOTED CHESS DEPOSITARY NOMINEE (CDI) HOLDERS

Rank	Name	Units	% of Units
1.	J P MORGAN NOMINEES AUSTRALIA LIMITED	16,296,188	16.37
2.	NATIONAL NOMINEES LIMITED	6,034,078	6.06
3.	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	5,526,729	5.55
4.	HOPETOUN CONSULTING PTY LTD <THE M SYME FAMILY A/C>	2,666,667	2.68
5.	R W ASSOCIATES PTY LTD <RW ASSOC SUPER FUND A/C>	2,610,000	2.62
6.	ARREDO PTY LTD	2,272,500	2.28
7.	MR BRIAN HENRY MCCUBBING + MRS ADRIANA MARIA MCCUBBING <B MCCUBING SUPER FUND A/C>	2,000,000	2.01
8.	MR IAN MIDDLEMAS	1,920,000	1.93
9.	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	1,844,354	1.85
10.	MAXIMO SARA	1,717,515	1.73
11.	CALAMA HOLDINGS PTY LTD <MAMBAT SUPER FUND A/C>	1,705,000	1.71
12.	MINTURN PTY LTD <PRIMA SUPERANNUATION FUND AC>	1,646,778	1.65
13.	LAUNCESTON GASWORKS PTY LTD	1,479,980	1.49
14.	NEFCO NOMINEES PTY LTD	1,400,000	1.41
15.	MR ANGUS WILLIAM JOHNSON + MRS LINDY JOHNSON <DENA SUPER FUND A/C>	1,116,363	1.12
16.	JACKHAMISH PTY LTD	1,020,000	1.02
17.	BARKFAM PTY LTD <BLB/JAB SUPER FUND A/C>	1,016,000	1.02
18.	HOPETOUN CONSULTING PTY LTD <THE M SYME FAMILY A/C>	1,000,000	1.00
19.	JILLIBY PTY LTD	1,000,000	1.00
20.	MR DOUG GRAY + MRS GHISLAINE GRAY <GLENMORE ESTATE S/FUND A/C>	944,784	0.95
	Total Top Holders Balance	55,216,936	55.46
	Total Remaining Holders Balance	44,343,704	44.54
	Total Chess Depositary Nominee (CDI) Holders	99,560,640	100

DISTRIBUTION OF ALL CDI HOLDERS

Analysis of numbers of listed equity security holders by size of holding:

Category	Number of Shareholders
1 - 1,000	39
1,001 - 5,000	138
5,001 - 10,000	107
10,001 - 100,000	340
100,001 and over	130
	754

There are 46 CDI holders holding less than a marketable parcel of shares.

TOP 20 OPTION HOLDERS

Rank	Name	Units	% of Units
1.	J P MORGAN NOMINEES AUSTRALIA LIMITED	856,898	10.14
2.	PITTAR NOMINEES PTY LTD <THE PITTAR FAMILY A/C>	619,314	7.33
3.	MRS VICKI GAYE PLAYER + MR SCOTT JAMES PLAYER <V G PLAYER SUPER FUND A/C>	345,110	4.08
4.	MR DAVID WILLIAM FINDLAY	333,778	3.95
5.	HOPETOUN CONSULTING PTY LTD <THE M SYME FAMILY A/C>	296,296	3.51
6.	ARREDO PTY LTD	252,500	2.99
7.	PITTAR NOMINEES PTY LTD <THE PITTAR FAMILY A/C>	238,187	2.82
8.	MR IAN MIDDLEMAS	213,333	2.52
9.	MAXIMO SARA	190,835	2.26
10.	CALAMA HOLDINGS PTY LTD <MAMBAT SUPER FUND A/C>	189,444	2.24
11.	MINTURN PTY LTD <PRIMA SUPERANNUATION FUND AC>	182,976	2.17
12.	NEFCO NOMINEES PTY LTD	155,889	1.84
13.	RJ GULLEY HOLDINGS PTY LTD <ROBERT GULLEY SUPER 1 A/C>	142,850	1.69
14.	LAUNCESTON GASWORKS PTY LTD	142,209	1.68
15.	REXI MARKETING PTY LTD	121,998	1.44
16.	JACKHAMISH PTY LTD	113,333	1.34
17.	MR DOUG GRAY + MRS GHISLAINE GRAY <GLENMORE ESTATE S/FUND A/C>	112,407	1.33
18.	HOPETOUN CONSULTING PTY LTD <THE M SYME FAMILY A/C>	111,111	1.31
19.	DINWOODIE INVESTMENTS PTY LTD <DINWOODIE INVESTMENTS A/C>	108,889	1.29
20.	MR ANGUS WILLIAM JOHNSON + MRS LINDY JOHNSON <DENA SUPER FUND A/C>	104,000	1.23
	Total Top Holders Balance	4,831,357	57.17
	Total Remaining Holders Balance	3,618,831	42.83
	Total Option Holders	8,784,687	100

DISTRIBUTION OF ALL OPTION HOLDERS

Analysis of numbers of listed equity security holders by size of holding:

Category			Number of Shareholders
1	-	1,000	267
1,001	-	5,000	206
5,001	-	10,000	61
10,001	-	100,000	82
100,001	and over		20
			<hr/> 636 <hr/>

There are 579 holders holding less than a marketable parcel of shares.

SCHEDULE OF INTERESTS AND LOCATION OF TENEMENTS

Tenement reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Application for Mineral Production-Sharing Agreement APSA-V-002	Philippines	RTG's interest is held through its interest in its associate entity, Mt Labo Exploration and Development Corporation.	40%	40%
MLC MRD 459		Philippines	40%	40%
Exploration Permit ("EP") 014-2013-V (subject to renewal)	Philippines		40%	40%
EXPA-000209-V	Philippines		-	40%
EXPA-000188-V	Philippines		40%	40%
Exploration Permit Application ("EXPA") 118-XI	Philippines	RTG's interest is held through its interest in its associate entity Bunawan Mining Corporation.	40%	40%
APSA-03-XIII	Philippines		40%	40%
EXPA-037A-XIII	Philippines		40%	40%
EP 033-14-XIII	Philippines		40%	40%
EP-01-06-XI	Philippines		40%	40%
EP-01-10-XI		RTG's interest is held through its interest in its associate entity Oz Metals Exploration & Development Corporation.		
EP-02-10-XI	Philippines		40%	40%
EXPA-123-XI	Philippines		40%	40%

MINERAL RESOURCES STATEMENT

Summary of Resources

The Company's Resources as at 31 December 2015, reported in accordance with the 2012 Edition of the JORC Code, are as follows:

Mineral Resource Estimate Results - Reporting at 0.3 g/t Au lower cut-off - Mabilo Deposit - South and North Zones									
Weathering State	Classification	Million Tonnes	Cu %	Au g/t	Ag g/t	Fe %	Contained Au ('000s oz)	Contained Cu ('000s t)	Contained Fe ('000s t)
Oxide + Supergene	Indicated	0.78	4.1	2.7	9.7	41.2	67.1	32.1	320.8
	Inferred	0.05	7.8	2.3	9.6	26.0	3.5	3.7	12.3
Fresh	Indicated	8.08	1.7	2.0	9.8	46	510.5	137.7	3,713.7
	Inferred	3.86	1.4	1.5	9.1	29.1	181.5	53.3	1,121.8

Note: The Mineral Resource was estimated within constraining wireframe solids based on the mineralised geological units. This resource table is quoted from all classified blocks above a lower cut-off grade 0.3 g/t Au within these wireframe solids. Differences may occur due to rounding

The Company's Resources as at 31 December 2014, reported in accordance with the 2012 Edition of the JORC Code, were as follows:

Mineral Resource Estimate Results - Reporting at 0.3 g/t Au lower cut-off - Mabilo Deposit - South and North Zones									
Weathering State	Classification	Million Tonnes	Cu %	Au g/t	Ag g/t	Fe %	Contained Au ('000s oz)	Contained Cu ('000s t)	Contained Fe ('000s t)
Oxide + Supergene	Indicated	0.73	4.4	2.8	9.5	42.6	67.1	32.2	312.7
	Inferred	0.13	3.1	2.2	10.4	34.9	8.9	3.9	43.6
Fresh	Indicated	5.13	1.7	2.1	8.3	49.9	346.8	88.9	2,563.0
	Inferred	5.37	1.5	1.7	12.9	39.1	293.1	80.4	2,101.9

Note: The Mineral Resource was estimated within constraining wireframe solids based on the mineralised geological units. This resource table is quoted from all classified blocks above a lower cut-off grade 0.3 g/t Au within these wireframe solids. Differences may occur due to rounding

Annual Review of Resources

During the year, the Company reported its updated Resource estimate for the Mabilo Project located in the Philippines (refer ASX announcement dated 5 November 2015). Since this time, there has been no change to the Resource reported for the Mabilo Project.

Governance of Resources

The Company engages external consultants and competent persons (as determined pursuant to the JORC Code) to prepare and calculate estimates of its Resources. Management and the Board review these estimates and underlying assumptions for reasonableness and accuracy. The results of the Resource estimates are then reported in accordance with the requirements of the JORC Code and other applicable rules (including ASX Listing Rules).

Where material changes occur during the year to a project, including project's size, title, exploration results or other technical information then previous resource estimates and market disclosures are reviewed for completeness.

The Company reviews its Resources as at 31 December each year. Where a material change has occurred in the assumptions or data used in previously reported Resource, then where possible a revised Resource estimate will be prepared as part of the annual review process. However, there are circumstances where this may not be possible (e.g. an ongoing drilling programme), in which case a revised Mineral Resource Estimate will be prepared and reported as soon as practicable.

Competent Person Statement

The information in this Report that relates to exploration results at the Mabilo Project is based upon information prepared by or under the supervision of Robert Ayres BSc (Hons), who is a Qualified Person and a Competent Person. Mr Ayres is a member of the Australian Institute of Geoscientists and a full-time employee of Mt Labo Exploration and Development Company, a Philippine mining company, an associate company of RTG Mining Limited. Mr Ayres has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr. Ayres has verified the data disclosed in this report, including sampling, analytical and test data underlying the information contained in the report. Mr. Ayres consents to the inclusion in the report of the matters based on his information in the form and the context in which it appears.

The information in this Report that relates to Mineral Resources is based on information prepared by or under the supervision of Mr Aaron Green, who is a Qualified Person and Competent Person. Mr Green is a Member of the Australian Institute of Geoscientists and is employed by CSA Global Pty Ltd, an independent consulting company. Mr Green has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr. Green has verified the data disclosed in this report including sampling, analytical and test data underlying the information contained in the report. Mr Green consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

➔ Annual Information Form





ANNUAL INFORMATION FORM

For the year ended December 31, 2015

**RTG Mining Inc.
Level 2, 338 Barker Road
Subiaco WA 6008**

**Telephone: +61 8 6489 2900
Fax: +61 8 6489 2920**

www.rtgmining.com

Dated: March 30, 2016

RTG MINING INC.
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Currency

Unless otherwise specified, all dollar references are to United States (US) dollars. On December 31, 2015, one (1) US dollar was worth approximately 1.3872 Canadian dollars ("C\$") and approximately \$1.3702 Australia dollars ("A\$") based on rates provided by currency site www.oanda.com.

Forward Looking Statements

This Annual Information Form ("AIF") includes certain "forward-looking statements" within the meaning of Canadian securities legislation including, among others, statements made or implied relating to the Company's objectives, strategies to achieve those objectives, the Company's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations. All statements, other than statements of historical fact, included herein, are forward-looking statements. Forward looking statements generally can be identified by words such as "objective", "may", "will", "expected", "likely", "intend", "estimate", "anticipate", "believe", "should", "plans", or similar expressions suggesting future outcomes or events.

Forward looking statements are not guarantees of future performance and reflect the Company's current beliefs based on information currently available to management. Such forward looking statements are based on a number of material assumptions, which could prove to be significantly incorrect, including: the Company's ability to obtain necessary financing and adequate insurance; the Company's expectations regarding the economy generally, current and future stock prices, results of operations, and the extent of future growth and performance; and assumptions that all necessary permits and governmental approvals will be obtained. Forward looking statements by their nature involve known and unknown risks, uncertainties and are subject to factors inherent in the business of the Company and the risk factors discussed in this AIF and other materials filed with the securities regulatory authorities from time to time which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Those risks and uncertainties include, but are not limited to: the mining industry (including operational risks; risks in exploration, and development; the uncertainties involved in the discovery and delineation of mineral deposits, Resources or Reserves; and the uncertainty of mineral Resource and mineral Reserve estimates); the risk of gold, copper and other commodity price and foreign exchange rate fluctuations; the ability of the Company to fund the capital and operating expenses necessary to achieve the business objectives of the Company; the uncertainty associated with commercial negotiations and negotiating with foreign governments; the risks associated with international business activities; risks related to operating in Nigeria and the Philippines; environmental risk; the dependence on key personnel; the ability to access capital markets, joint venture relationships and disputes, permitting and local government and community support and other risks and uncertainties disclosed in "*Risk Factors*" in this AIF.

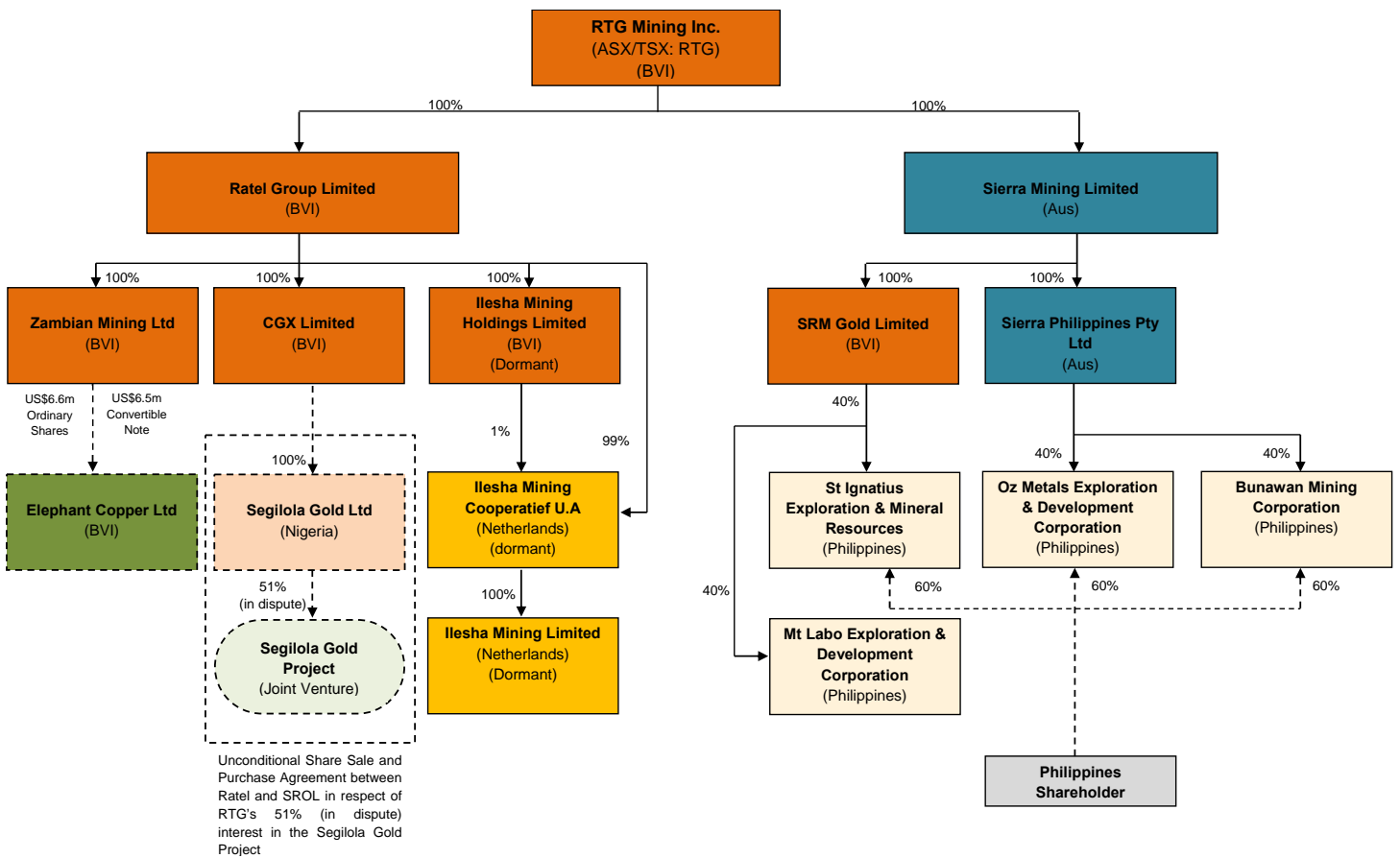
Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date the statements were made and are advised to consider such forward looking statements in light of the risks set forth above. Except as required by applicable securities laws, the Company assumes no obligation to update or revise any forward looking statements to reflect new information or the occurrence of future events or circumstances.

1. Corporate Structure

Name, Address and Incorporation

RTG Mining Inc. (“RTG”, or the “Company”) was incorporated on December 27, 2012 pursuant to the BVI Business Companies Act 2004 (British Virgin Islands). The Company’s registered office is Sea Meadow House, Blackburne Highway, (PO Box 116), Road Town, Tortola, British Virgin Islands (“BVI”) and its corporate office is located at Level 2, 338 Barker Road Subiaco WA Australia. On March 28, 2013, Ratel Group Limited (“Ratel Group”) and RTG completed the merger (the “Merger”) of Ratel Group and Ratel Merger Ltd., a wholly-owned subsidiary of RTG. The surviving corporation formed by the Merger is a wholly-owned subsidiary of RTG. RTG’s shares (“RTG Shares”) began trading on the Toronto Stock Exchange (“TSX”) under the former symbol for Ratel Group’s shares, “RTG”, effective as of the open of markets on April 15, 2013. On June 4, 2014, RTG merged with Sierra Mining Limited (“Sierra”) and the Company was also admitted to the Australian Securities Exchange (“ASX”) under the symbol “RTG”.

RTG Group Structure as at March 30, 2016



2. General Development of the Business

Three-Year History

Year ended 2015

The Company announced on February 10, 2015 that it had resolved to raise approximately A\$15 million in a placement to Australian and international institutional and sophisticated investors ("Placement").

Placement Details

The Placement consisted of 22.3 million new securities to be issued at a price of A\$0.68 cents per security to raise total funds of circa \$15.1 million. The securities were issued in two tranches as noted below:

- Tranche 1 - Comprising 16.79 million securities at A\$0.68 cents per security to raise circa \$11.4 million, was issued, on February 18, 2015, pursuant to ASX Listing Rules 7.1 and section 607 of the TSX Listing Rules; and
- Tranche 2 - Comprising circa 5.5 million securities at A\$0.68 cents per security to raise a further circa \$3.7 million, (a) a portion of which was issued on February 18, 2015 to Canadian investors as subscription receipts to acquire shares (the "Subscription Receipts"), and (b) the remainder of which was issued to Australian and other international investors after receipt of shareholder approval at an Extraordinary General Meeting of Shareholders on April 10, 2015. This issue was completed on April 16, 2015.

It has been a year of significant progress at the Mabilo Project (as defined below):

- (i) there has been extensive drilling and the preparation of an updated JORC and NI 43-101 (as defined below) compliant Resource statement delivering a high grade new development opportunity with significant exploration upside remaining;
- (ii) the identification of an early start up strategy that will enable early cashflows, with nominal capital expenditure requirements;
- (iii) completion of extensive metallurgical test work and Resource modelling, establishing a proposed flowsheet for development of the project;
- (iv) completion of extensive marketing reviews identifying strong offtake opportunities for the proposed products;
- (v) completion of a Philippine compliant feasibility study on the proposed Direct Shipping Operation ("DSO") to fast track permitting for proposed operations; and
- (vi) completion of a Feasibility Study (as defined below) for both Stage 1 (the proposed DSO) and Stage 2, a plant to produce a number of high grade concentrate products post year end.

Year ended 2014

On June 4, 2014, RTG completed the implementation of the schemes of arrangement (the "Schemes") pursuant to the terms of the previously announced Scheme Implementation Deed dated February 24, 2014 (the "Deed") between RTG and Sierra to acquire all of the outstanding securities of Sierra and their projects in the Philippines.

Pursuant to the Schemes, RTG acquired all of the outstanding shares of Sierra ("Sierra Shares") and all of the outstanding listed options of Sierra ("Sierra Options"), and issued as consideration:

- (a) to eligible shareholders of Sierra, 3 RTG Shares for every 10 Sierra Shares held and 1 new share purchase option of the Company ("RTG Option") for every 30 Sierra Shares held; and
- (b) to eligible option holders of Sierra, 2 RTG Shares for every 10 Sierra Options held and 2 RTG Options for every 90 Sierra Options held.

The Company also acquired all unlisted Sierra Options ("Sierra Unlisted Options"), and issued as consideration to such holders of Sierra Unlisted Options:

- (a) 1 RTG Share for every 10 Sierra Unlisted Options exercisable at \$0.20 each on or before July 1, 2014, together with 1 RTG Option for every 90 Sierra Unlisted Options held; and
- (b) 1 RTG Share for every 20 Sierra Unlisted Options exercisable at \$0.25 each on or before July 1, 2015, together with 1 RTG Option for every 180 Sierra Unlisted Options held.

Pursuant to the Schemes, RTG has acquired a direct 40% interest in each of Mt. Labo Exploration & Development Corporation ("Mt. Labo"), St Ignatius Exploration and Mineral Resources Corporation, Bunawan Mining Corporation ("Bunawan Corp") and Oz Metals Exploration and Development Corporation and a further indirect interest in Mt. Labo, collectively known as the "Associates". Mt. Labo is the holding company for the Mabilo Project and Bunawan Corp is the holding company for the Bunawan Project.

Year ended 2013

RTG was incorporated on December 27, 2012 and is domiciled in the British Virgin Islands. On March 28, 2013, Ratel Group and RTG completed the Merger. As a result, the surviving corporation formed by the Merger is a wholly-owned subsidiary of RTG. On April 15, 2013, the restructuring transaction was fully completed along with the satisfaction of the escrow release conditions pursuant to the private placement (the "Private Placement") of 162,538,641 subscription receipts of RTG at C\$0.13 each, raising gross proceeds in the order of C\$21.1M. As a result, the previously issued shares of Ratel Group (the "Ratel Shares") were exchanged for RTG Shares and the surviving corporation formed by the Merger is a wholly-owned subsidiary of RTG. The 162,538,641 previously issued subscription receipts were automatically converted (for no additional consideration) into 162,538,641 RTG Shares and the gross proceeds of the Private Placement, less the commission payable to Haywood Securities Inc. as agent under the Private Placement and less the fees payable to the subscription receipt agent under the Private Placement, were released to RTG. The RTG Shares began trading on the TSX under the former symbol for the Ratel Shares, "RTG", effective as of the open of markets on April 15, 2013.

Loan Facility

During September 2012, Ratel Group entered into a loan facility agreement with CGA Mining Limited for the sum of \$2.5M. In April 2013, the outstanding principal and interest on the loan facility was fully repaid.

3. Description of the Business

Business of the Company

Objectives and Strategy

RTG has a strategic focus on acquiring and developing interests in mineral properties with demonstrated potential for hosting economic mineral deposits, with gold deposits as the primary focus, and progressing them towards production.

Company Assets

The Company's business is dependent on foreign operation, as many of its properties, including its principal asset, are located in the Philippines and the African continent.

The Mabilo Project (the “Mabilo Project”)

The Company’s principal asset and focus is the Mabilo Project. The Mabilo Project is located in Camarines Norte Province, Eastern Luzon, Philippines. It is comprised of one exploration permit (EP-014-2013-V) of approximately 498 ha and two exploration permit applications (EXPA-000188-V) of 2,737 ha and (EXPA 0000 209-V) of 498 ha. The Mabilo Project area is relatively flat and is easily accessed by 15 km of all-weather road from the highway at the nearby town of Labo. The Mabilo Project is a joint venture between an associate of the Company, Mt. Labo and Galeo Equipment Corporation (“Galeo”) in the Philippines.

Sierra discovered the mineralisation in 2012 during a reconnaissance drilling program targeted on magnetic anomalies from a ground magnetic survey conducted by a former explorer. Sierra subsequently conducted a new ground magnetic survey in early 2013, remodelled the data and commenced a second phase of drilling in mid-2013.

Extensive drilling was undertaken by the Mt. Labo during 2014 and 2015 with significant extensions in known strike beyond the magnetic model in the North and South directions. A total of 69 drill holes totalling 11,231m were used for the maiden Resource estimate. An announcement was released on November 24, 2014 with the NI 43-101 Technical Report released on January 8, 2015. Subsequently, an updated mineral Resource estimate (“MRE”) was completed using 99 drill holes totalling 18,188.5 m and released in the NI 43-101 Technical Report entitled “Mabilo Copper-Gold-Iron Property Mineral Resource Estimate, Camarines Norte, Philippines” dated November 5, 2015 by Aaron Green, Neal Reynolds and Grant Louw (the “Report”). By the end of the fourth quarter of 2015, 111 drill holes had been completed at the project. **The current Resource is open down plunge and along strike, with all mineralisation found to date being shallow enough to be amenable to open pit mining techniques.**

Table 1 Mineral Resource Estimate as at November 5, 2015

Mineral Resource Estimate Results - Reporting at 0.3 g/t Au lower cut-off - Mabilo Deposit - South and North Zones									
Weathering State	Classification	Million Tonnes	Cu %	Au g/t	Ag g/t	Fe %	Contained Au ('000s oz)	Contained Cu ('000s t)	Contained Fe ('000s t)
Oxide + Supergene	Indicated	0.78	4.1	2.7	9.7	41.2	67.1	32.1	320.8
	Inferred	0.05	7.8	2.3	9.6	26.0	3.5	3.7	12.3
Fresh	Indicated	8.08	1.7	2.0	9.8	46.0	510.5	137.7	3,713.7
	Inferred	3.86	1.4	1.5	9.1	29.1	181.5	53.3	1,121.8

Note: The Mineral Resource was estimated within constraining wireframe solids based on the mineralised geological units. This Resource table is quoted from all classified blocks above a lower cut-off grade 0.3 g/t Au within these wireframe solids. Differences may occur due to rounding

There are no known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other facts that could materially affect the MRE. The definition of two high grade oxide mining products within the Resource materially improves the economics of the Mabilo Project with limited need for upfront capital and potential for early cash flow.

The Feasibility Study (“FS”)

The Company announced on March 18, 2016 the results from an independent FS for 100% of the high grade Mabilo Project in southeast Luzon, Philippines. The FS demonstrates the potential for the Mabilo Project to outperform, specifically reinforcing the resilience of the Mabilo Project despite current commodity prices. The Mabilo Project is both high grade and low cost underpinning the robust economics presented in the FS including a 33% IRR after tax (43.6% with only a 10% lift in commodity prices) and an equivalent operating cost of US\$0.80/lb copper equivalent or US\$425/oz gold equivalent for concentrate production.

THE MABILO PROJECT 1.35 Mtpa CASE HIGHLIGHTS*

A Robust New Development Opportunity

Probable Mineral Reserves: 7.792Mt @ 2.04 g/t Au, 1.95% Cu, 8.79 g/t Ag, 45.5% Fe
Containing 1.3Moz Au equivalent at 5.26 g/t (before recoveries)
Containing 316Kt Cu equivalent at 4.1% (before recoveries)

IRR (after tax): 33.4% (US\$5000/t Cu, US\$1200/oz Au and US\$50/t Fe)

Payback for Plant: 2.5 years

DSO Capex: US\$17.4M

DSO Opex US\$0.42/lb Cu equivalent
US\$224/oz Au equivalent

DSO Production 25,000t of Cu and 39,000oz Au
34,700t of Cu equivalent
144,000oz of Au equivalent

Plant Capex US\$161.4M (includes US\$14.8M of recoverable VAT)

Plant Pre-strip US\$24.4M (includes US\$2.6M of recoverable VAT)

Plant Opex: \$0.80/lb Cu equivalent
\$425/oz Au equivalent

Plant Annual Production Contained Metal: **38,300t Cu equivalent**
160,000oz Au equivalent

*The FS is based on a treatment rate of 1Mtpa. A treatment rate of 1.35Mtpa was also considered in an upside case. Factored indicative capital and operating cost estimates were developed for a planned throughput of 1.35 Mtpa.

DEVELOPMENT SCHEDULE

Optimized Approach to Maximize Returns at the Mabilo Project

Project implementation is planned to be executed in two key stages. Stage 1 is intended to minimize initial capital requirements through a DSO of an exceptionally high grade, near surface oxide portion of the Mabilo Project Resource. By utilization of existing infrastructure within easy transport of the Mabilo Project, the joint venture is able to defer the more capital intensive components of primary production. The early cash flow generated by the DSO should then also minimize any possible equity dilution in the financing of the Stage 2 Primary Production Plant.

Stage 1 will mine the oxide ore down to 30 Relative Level (95m below surface). Three main products will be produced from this oxide mining stage.

- Gold cap ore will be crushed on site and trucked to a nearby existing CIL processing plant. The plant is planned to be upgraded to 300,000tpa throughput and will likely be operated by the Mabilo Joint Venture ("MJV") personnel.
- Both oxide skarn and high-grade supergene chalcocite will be crushed on site with a plan to truck to the existing Larup Port, within 40km, for direct shipping.

Stage 2 of the operation involves processing of primary ore through a purpose-built plant on site. The Mabilo Project process plant is planned to be built in parallel with the oxide mining phase and Stage 2 permitting process. The processing plant will be a simple crush, grind, float plant with low technical risk, producing three concentrates for sale and is estimated to require approximately 15 months for construction.

Both mining stages are financially robust with the **DSO enabling start up and early generation of cash flow within 4-5 months of finalizing the DSO operating permits**. The capital expenditure required for the DSO is relatively nominal at approximately US\$18M and is capable of generating net operating cash flow after tax in the order of US\$ 68M (based on US\$5,000/t Cu, US\$1,200/oz Au and US\$50/t Fe).

Mt. Labo is currently in the final stages of obtaining the necessary operating permits for the first stage of production with timing ultimately dependent on the regulatory processes in the Philippines. The Company is also in discussions with potential debt financiers for the project development.

THE MABILO PROJECT FEASIBILITY ECONOMICS (AFTER-TAX)

Highly Sensitive to Both a Growth in Commodity Prices and Resources

The robust feasibility results provide the foundation to grow the Mabilo Project while generating early cashflows. The Mabilo Project is highly sensitive to both a growth in commodity prices and resources. The 1.35Mtpa case project IRR escalates from 33% to 43.5%* with only a 10% increase in commodity price assumptions. The FS, compiled by Lycopodium Minerals Pty Ltd (“Lycopodium”), is based on the inputs from a number of consultants and the MJV including Lycopodium, CSA Global Pty Ltd (“CSA Global”), Orelogy Consultants Pty Ltd (“Orelogy”), Orway Mineral Consultants Pty Ltd (“Orway”), Knight Piesold Pty Ltd and Conrad Partners Limited (“Conrad Partners”).

	1 Mtpa Case	1.35Mtpa Case	10% Increase in Commodity Prices to 1.35 Mtpa	20% Increase in Commodity Prices to 1.35 Mtpa
Financial Analysis*				
IRR	26.09%	33.45%	43.62%	56.29%
NPV				
0%	US\$197M	US\$223M	US\$285M 28% Increase	US\$361M 63% Increase
5%	US\$126M	US\$156M	US\$207M 33% Increase	US\$269M 72% Increase
8%	US\$96M	US\$125M	US\$171M 37% Increase	US\$226M 81% Increase
Payback for Plant (Years)	2.5	2.5	2.42	2.25

*All the economics, including calculations of equivalent estimates referred to in this announcement are based on the following commodity price assumptions: US\$5000/t Cu, US\$1200/oz Au and US\$50/t 62% Fe. The FS is based on a 1 Mtpa plant base case. Factored indicative capital and operating cost estimates were developed for a planned throughput of 1.35 Mtpa.

Separately, there remains significant upside in the Mabilo Project from both extensions to the North Mineralised Zone (“NMZ”) and Inferred Resources contained within the pit. 41% of the 3.91Mt Inferred Resource falls within the final design of the pit, representing 1.61Mt at 1.22% Cu and 1.21g/t Au that could provide near term potential to significantly grow the Resource. The pit optimization study shows that an increase in shell size by 19% results in a 24% increase in undiscounted cashflows.

OVERVIEW OF PLANNED OPERATIONS

Producing 3 High Quality Concentrates Through the Plant

The FS on the construction and operation of the plant forms the basis for the life of mine plan, which incorporates both the Stage 1 mining and DSO on the oxide ore and the Stage 2 development of a processing plant for the primary ore. The primary plant will include a simple crush, grind, float facility

with thickening and filtration to produce 3 high quality concentrates. The plant produces the following three (3) high-grade products:

- 27% Cu and 21g/t Au concentrate
- 3g/t Au pyrite concentrate
- 65% magnetite concentrate

The FS is based on a treatment rate of 1 Mtpa. A factored case at a treatment rate of 1.35 Mtpa was also considered by applying a factor of 7.3% to the capital costs. Given the planned operating throughput is likely based on the 1.35Mtpa case, sensitivity modeling for the 1.35 Mtpa case is shown below indicating strong operating and economic results:

	1.35Mtpa Case*	10% Increase in Commodity Prices*	20% Increase in Commodity Prices*
Oxide/DSO			
Capex	US\$17.4M		
Cu Produced	25,000 t		
Au Produced	39,000 oz		
CuEq Produced**	34,700 t		
AuEq Produced**	144,000 oz		
Net Operating Cashflow before Tax	US\$95M	US\$110M	US\$125M
Net Operating Cashflow after Tax	US\$68M	US\$78M	US\$88M
Average Costs			
Per Tonne	US\$62		
Per CuEq	US\$0.42/lb		
Per AuEq	US\$224/oz		
Primary/Plant Operation			
Capex	US\$161.37M		
	(includes US\$14.8M of recoverable VAT)		
Pre-strip for Stage 2	US\$24.37		
	(includes US\$2.6M of recoverable VAT)		
Contained Metal in Average Annual Production			
Cu	18,300 t		
Au	67,000 oz		
Fe	347,000 t		
CuEq**	38,300 t		
AuEq**	160,000 oz		
Ave Annual Net Operating Cashflow before Tax	US\$72.9M	US\$84M	US\$97M
Ave Annual Net Operating Cashflow after Tax	US\$51.8M	US\$58M	US\$67M

Average Costs			
Per Tonne	US\$54/t		
Per CuEq	US\$0.80/lb		
Per Au Eq	US\$425/oz		

Production Metrics for Stage 2			
Mining			
Pre-strip	Mt	18	
Average Mining Rate	Tpd	28,400	
Average Mine Production	Mtpa	10.4	
Total Material Mined	Mt	80.4	
Overall Strip Ratio	W:O	10	
Processing			
Daily Mill Throughput	Tpd	3,700	
Annual Mill Throughput	Tpa	1,350,000	
Production			
Average Annual Cu/Au Con Produced	Tpa	64,900	
Average Annual Pyrite Con Produced	Tpa	219,000	
Average Annual Magnetite Con Produced	Tpa	534,000	
Recoveries			
Gold Recoveries in Cu/Au Con	%	55.1	
Gold Recoveries in Pyrite Con	%	29.8	
Copper Recoveries	%	83.7	
Silver Recoveries	%	60.7	
Iron Recoveries	%	60.7	
Payables/NSR - DSO			
Gold Cap Ore	%	100	
Copper in Oxide Skarn	%	30	
Gold in Chalcocite	%	75	
Copper in Chalcocite	%	74	
Payables/NSR - Plant			
Copper in Cu/Au Concentrate	%	87	
Gold in Cu/Au Concentrate	%	91	
Gold in Pyrite Concentrate	%	50	
Silver in Cu/Au Concentrate	%	83	
Iron in Magnetite Concentrate	%	100	

*All the economics, including calculations of equivalent estimates referred to in this announcement are based on the following commodity price assumptions: US\$5000/t Cu, US\$1200/oz Au and US\$50/t 62% Fe. The FS is based on a 1 Mtpa plant base case. Factored indicative capital and operating cost estimates were developed for a planned throughput of 1.35 Mtpa.

** The Copper equivalent tonnes and gold equivalent ounces are based on the following formulas –
 $CuEq = (Cu\ produced/contained * \$5000) + (Au\ produced/contained * \$1200 + (Any\ Contained\ Fe\ metal\ produced * \$50)) / \$5000$
 $AuEq = (Cu\ produced/contained * \$5000) + (Au\ produced/contained * \$1200 + (Any\ Contained\ Fe\ metal\ produced * \$50)) / \$1200$

MINERAL RESERVES

March 2016 Mineral Reserve Estimate

The Probable Reserve represents an **equivalent gold grade for the Reserves of 5.26 g/t*** (before recoveries) **containing 1.32 Moz of equivalent gold** or an **equivalent copper grade of 4.1%*** (before recoveries) **containing 316Kt of equivalent copper**.

Probable Mineral Reserve Estimate								
Ore							Waste	Strip Ratio
Class	Type	Mt	Fe %	Au g/t	Cu %	Ag g/t	Mt	
Probable	Gold Cap	0.351	40.1	3.11	0.38	3.26	77.713	10.0
	Supergene	0.104	36.5	2.20	20.7	11.9		
	Oxide Skarn	0.182	43.6	2.52	4.17	19.9		
	Fresh	7.155	45.9	1.97	1.70	8.73		
Total Probable Ore		7.792	45.5	2.04	1.95	8.79		

*The gold equivalent grade is based on the following formula –

$$AuEq = (((AuOz * \$1,200) + (CuMetal * \$5,000) + (FeMetal * \$50) + (AgOz * \$14)) / \$1,200) / Total\ ore\ tonnes$$

The copper equivalent grade is based on the following formula –

$$CuEq = (((AuOz * \$1,200) + (CuMetal * \$5,000) + (FeMetal * \$50) + (AgOz * \$14)) / \$5,000) / Total\ ore\ tonnes$$

The Resource estimation as of November 2015 provided by CSA Global classified the Resource for the Mabilo Project as Indicated and Inferred. Only Indicated Mineral Resources as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) were used to establish the Probable Mineral Reserves. No Reserves were categorized as Proven.

Application of edge dilution and ore loss to the Resource model resulted in a 4% increase in the mining model tonnages and a 5% decrease in gold, copper and silver grades. This mining model was used in all mine planning activities, including pit optimization, mine design and mine scheduling.

Mineral Reserves are quoted within specific pit designs based on Indicated Resources only and take into consideration the mining, processing, metallurgical, economic and infrastructure modifying factors.

CAPITAL COSTS

2-Stage Development: Overall Low Capital Costs

The capital cost estimates were derived from first principles for the 1 Mtpa process plant to an accuracy of +/- 15% and then the capital cost estimates were factored with an accuracy of +/- 25% for the 1.35 Mtpa process plant.

The capital costs for the Mabilo Project will be required in two tranches. The first tranche will be prior to oxide mining commencing. The second tranche is planned to coincide with the development and construction schedule associated with Stage 2 of the Mabilo Project.

Cost Area	Stage 1 -DSO US\$M
Direct	
Pre-Strip	3.30
Mobilisation	0.66
Site Preparation, Roads and Environment	3.65
Port	0.30
Buildings and Equipment	0.55

Mining Facilities	1.40
Upgrade Apex CIL Plant	0.71
Direct Works Subtotal	10.57
Indirect	
Land Acquisition	5.62
Contingency	1.16
Indirect Subtotal	6.78
TOTAL OXIDE MINING CAPITAL COSTS	17.35

Cost Area	Stage 2 – Primary Plant US\$M
Direct	
Treatment Plant	57.41
Infrastructure, Roads and Port	31.86
Pit Dewatering Bores	1.28
Management Costs	12.67
Direct Works Subtotal	103.22
Indirect	
Project Indirects	11.49
Owners Costs	13.21
Land Acquisition	4.60
Contingency	14.02
Value Added Tax	14.83
Indirect Subtotal	58.16
TOTAL PRIMARY PLANT CAPITAL COSTS	161.37

OPERATING COSTS

The Mabilo Project is Open Pit, High Grade & Low Cost

The operating cost estimates were derived from first principles for the 1Mtpa process plant and then plant costs were factored with an accuracy of +/- 25% for the 1.35Mtpa operating scenario. All costs are in 2015 US dollars. The mining costs were derived from IMC's Mabilo Mine Operating Cost Estimate Report, which were then reviewed by Orelogy. The costs are based on a contract mining operation with bench rates (\$/bcm), ore rehandle rates (\$/t), grade control and dump rehabilitation plus annual fixed mining overheads.

Process plant operating costs for the 1.0Mtpa FS base case were compiled from information sourced by Lycopodium and the MJV:

- Manning levels and pay rates advised by MJV to suit the proposed process plant unit operations and plant throughput.
- Consumable prices from supplier budget quotations and the Lycopodium database.
- Flotation reagent consumption and metal / concentrate recoveries based on laboratory test work results and the mining schedule.
- Modelling by Orway for crushing and grinding energy and consumables, based on ore characteristics derived from relevant test work.
- First principle estimates, where required, based on typical operating experience or standard industry practice.
- Benchmarking within the Philippines and comparison with costs at other similar operations.

Processing costs for the 1.35Mtpa upside case were then factored from the FS base case.

The process plant availability has been nominated as 91.3% for milling and downstream operations and 80% for the crushing plant including scheduled and unscheduled maintenance. The product filters will operate in a semi batch mode and a lower operating availability of 75%.

G&A costs were based on current operations in the Philippines and amended to account for the size of the operation and people employed.

	Stage 1 - DSO	Stage 2 – Primary Plant
Average Operating Costs		
Mining US\$/t mined (includes pre-strip costs)	1.57	1.49
Mining US\$/t ore (excludes pre-strip costs)	7.49	14.09
Processing US\$/t ore	41.26	32.14
G&A US\$/t ore	6.89	7.65
Total Operating Cost US\$/t ore	61.91	53.89

MINING

Mining is planned to be conducted using open pit methods. The ore is to be accessed in a series of stages. The stage designs were generated in order to enhance the scheduling process aiming to defer waste mining as much as practically possible and to bring forward higher-grade ores. Five (5) meter high benches have been used, given the scale of the operation and the equipment planned for the mining operation. A bench height of 5m mined in two 2½m flitches results in acceptable dilution and ore loss projections. A mining contractor is assumed for both pre-production and the ongoing development of the mine.

There are three distinct different loading and hauling situations that require different fleets:

- *Pioneering and Pit Development* - Pioneering and pit development will be undertaken by 100t excavators (Komatsu PC 1250) and 40t articulated 6WD trucks (Caterpillar 745).
- *Ore and Waste Mining* - The main fleet for the ore and waste mining activities consists of 100t excavators and 55t rigid haul trucks (Caterpillar 773).
- *Bulk Waste Mining* - A 200t excavator (Komatsu PC 2000) and a fleet of 90t haul trucks (Caterpillar 777) will be used to undertake waste stripping of the last two cutbacks.

Free digging is expected in all oxide materials while fresh rock materials are broken and loosened with drilling and blasting.

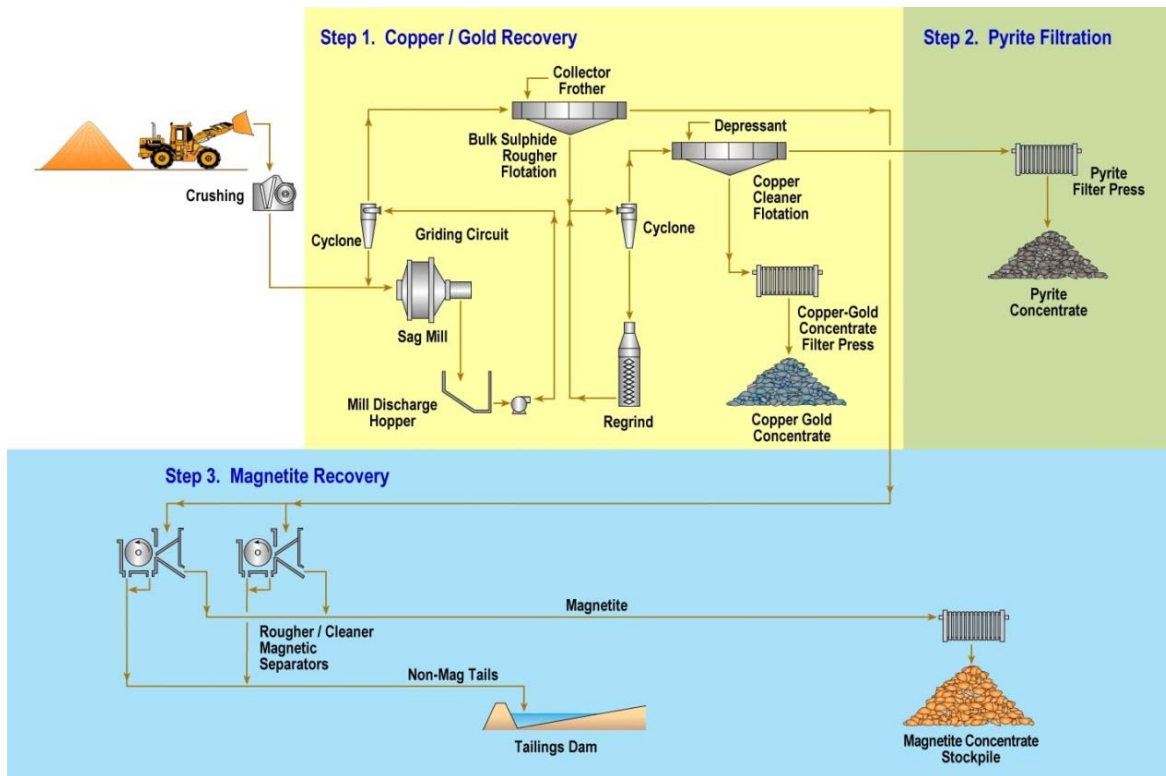
METALLURGY AND PROCESSING

The proposed process plant design for the Mabilo Project is based on a robust metallurgical flowsheet designed for optimum recovery with minimum operating costs, based on an initial 1Mtpa throughput, and then upgraded and optimized for a planned 1.35Mtpa throughput. The flowsheet is constructed from unit operations that are well proven in industry.

The treatment plant design incorporates the following unit process operations:

- Single stage open circuit primary crushing to produce a crushed product size of 80% passing (P80) 120 mm.
- A crushed ore surge bin with a nominal capacity of 120t. Surge bin overflow will be conveyed to a dead stockpile of 20,000 tonnes. Ore from the dead stockpile will be reclaimed by front-end loader to feed the mill during periods when the crushing circuit is off-line.
- Grinding of ore in a SAG mill circuit in closed circuit with hydrocyclones to produce a P80 grind size of 90 µm.
- Bulk sulphide flotation to recover copper sulphides and gold bearing pyrite.
- Two-stage cleaner flotation to recover copper sulphides into a copper concentrate and pyrite into a product for sale.
- Concentrate thickening and pressure filtration to produce a copper concentrate filter cake.
- Pyrite thickening and pressure filtration to produce a pyrite concentrate filter cake.
- Magnetic separation of the bulk sulphide tails to recover magnetite into concentrate.
- Concentrate thickening and pressure filtration to produce a magnetite concentrate filter cake.
- Combined tailings pumping to the tailings storage facility.

A planned flowsheet for the process is shown below.



Ultimately, the ability to develop and progress the plans as considered in the FS are dependent upon many factors including the ability to secure the necessary permits, working successfully with local communities and governments, securing all necessary surface rights and the support of the Philippine regulatory bodies and our partners.

MARKETING AGREEMENT & DEBT FINANCING

Underway with Positive Progress to Date

Mt. Labo has appointed Conrad Partners, based in Hong Kong, as its agent for the marketing of offtake for both Stage 1, the planned DSO and Stage 2, namely the production of three high grade concentrate products. Conrad Partners has completed a full marketing report for the FS, based on discussions with potential offtake parties and has provided the underlying assumptions used in the compilation of the Life of Mine Financial Model based on the FS results.

RTG is in discussions with a number of potential debt financiers for the Mabilo Project including both traditional bank debt, derivative instruments and notes and offtake linked facilities. The feedback and progress on the financing has been very positive to date and with the completion of the FS, the Company will be able to further advance those discussions with a view to finalizing a mandate with a preferred provider.

EP Renewal Update

The Mines and Geosciences Bureau (“MGB”) is yet to finalise the renewal of the exploration permit at the Mabilo Project. As part of the process, the joint venture partner, Galeo has requested to be named as a co-permittee on the permit. Our advice is that Galeo is not entitled to be named under the joint venture agreement with Mt. Labo (the “Galeo Joint Venture Agreement”); however, they are pursuing those objectives through legal action in the Philippines. Mt. Labo is currently reviewing the matter and is in discussions with Galeo.

Nalesbitan Project (the “Nalesbitan Project”)

The Nalesbitan Project comprises Mining Lease Contract MRD-459 of 500 Ha and MPSA Application APSA-V-0002 of 600 Ha. The Nalesbitan Project covers a large zone of alteration in which widespread zones of epithermal gold, silver and copper mineralisation have been outlined.

The mineralisation identified to date includes both low sulphidation and high sulphidation epithermal gold veins, potentially proximal to porphyry copper at depth. Induced Polarisation chargeability anomalies, interpreted to be due to sulphides associated with porphyry copper mineralisation, have been outlined in the southern part of the alteration zone. The Nalesbitan Project system has similarities to the giant Lepanto / Far South-East copper and gold porphyry system in northern Luzon.

Bunawan Project

The Bunawan Project is located in the east of Mindanao Island in Agusan del Sur province, the Philippines, approximately 190 km north-northeast of Davao and adjacent to the Davao – Surigao highway.

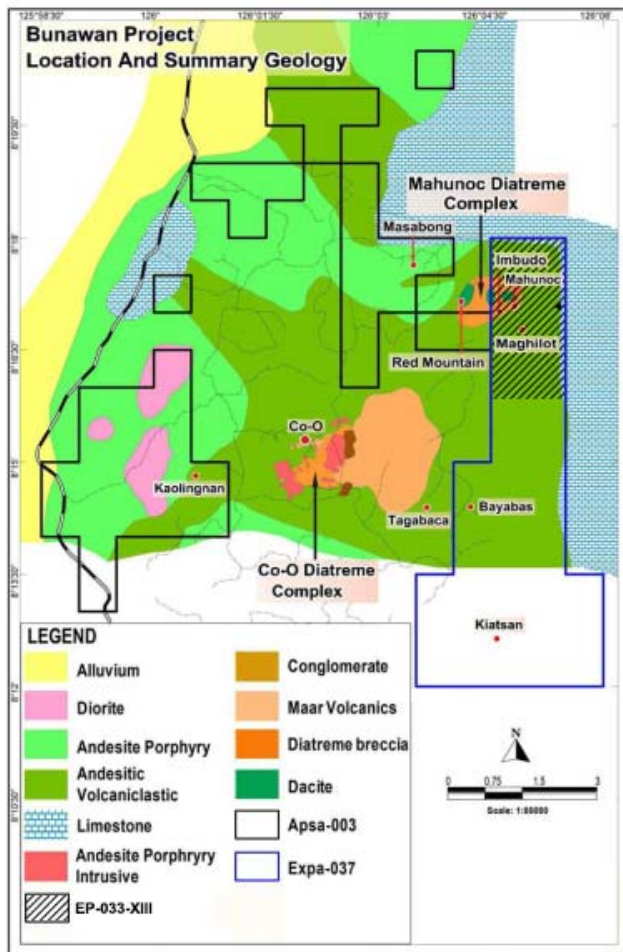


Figure 1 Location Plan with Regional Geology Showing Both the Co-O and Mahunoc Diatreme Complexes

The Bunawan Project is centred on a diatreme intrusive complex (Mahunoc diatreme) approximately five km NE of Medusa Mining’s Co-O mine in eastern Mindanao. Historical production at the Co-O Mine has demonstrated a significant high grade gold system and there is

active artisanal mining throughout the region which further reinforces the gold potential of the area. A number of the artisanal mining operations occur within and adjacent to the Mahunoc diatreme and the area is highly prospective for the discovery of economic epithermal Au-Ag mineralisation of intermediate sulphidation / carbonate-base metal type.

In parallel with the efforts on the Mabilo Project, the Bunawan Project exploration permit was secured , which Sierra had been working on for some period of time.

Following the granting of the exploration permit, RTG announced in November 2014 that it has commenced a reconnaissance drilling program. At the end of 2014 nine holes had been completed for 3,074 metres. Mineralisation was intercepted in 6 of the 9 holes drilled, including 7m @ 4.18g/t Au and 4m @ 12.33g/t Au.

Work on the project has continued throughout the year with a focus on ground mapping and geophysical programs in the Mahunoc region. An Induced Polarization Resistivity Survey program was completed during the fourth quarter, where 45.9 line kms were covered. The Dipole-Dipole Induced Polarisation program was also completed with 7.4 line kms covered. The programs identified several targets that warrant further work. Some of the targets are coincident with previous geochemical signatures.

Currently, community development programs and Indigenous people programs continue.

Bahayan Project (the “Bahayan Project”)

The Bahayan Project in the Philippines comprises exploration permit application 123 (“EXPA-123-XI”) covering 69.2km² of ground near the Diwalwal mining camp. High-grade gold veins were discovered at Diwalwal in the early 1980’s, although there has been little modern exploration at Diwalwal and surrounding areas. Based on the MGB XI MTSR as of December 2014, EXPA-123-XI has been endorsed to the MGB Central Office and is awaiting the clearance of the MGB Director.

Production from the low sulphidation epithermal quartz veins at Diwalwal is estimated to have exceeded 8 million ounces of gold. Geologically the steep dipping veins strike west-northwest and occur in highly fractured zones which are deeply oxidized, silicified and chloritised.

Work at the Bahayan Project during the fourth quarter of 2015 included the completion of 60.2 line kms of ground magnetic survey, further geological mapping, rock chip sampling and petrographic work. The Bahayan Project continues to show potential and the ground magnetic work has highlighted a number of areas that warrant further interpretation and follow up resistivity work.

Mawab Project (the “Mawab Project”)

The Mawab Project in the Philippines comprises two contiguous applications which have a combined area of 65.66 km². They are located in the Masara Mineral Field, one of most highly mineralised section of the Pacific Cordillera where there are a number of past mines and deposits currently at an advanced stage of development.

Taguibo Project (the “Taguibo Project”)

The Taguibo Project in the Philippines comprises one granted exploration permit and two applications for exploration permits covering a combined area of 128.7 km². Exploration permit no. 000001-06-XI was granted on the October 18, 2006. The two applications have been cleared and have priority of application.

Native copper and malachite in quartz veins cutting sediments has been reported in exploration permit no. 000001-06-XI and quartz and base-metal stockwork zones reported in EPA 118. Artisanal gold mining is widespread in all three tenement applications.

Based on the complete list of existing exploration permits as of November 30, 2014 , EP-01-06-XI was approved on October 18, 2006 and was to expire on October 18, 2008. However, a Motion of

Suspension of Operation Due to Force Majeure was filed in the case. Should the Motion for Suspension be denied, EP-01-06-XI will be deemed expired.

Mkushi Copper Project (the “Mkushi Copper Project”)

RTG announced on August 29, 2013 that it had sold its interest in the Mkushi Copper Project for US\$13.1 million to Elephant Copper Ltd (“Elephant Copper”) including shares and an unsecured redeemable convertible note.

Elephant Copper also agreed to payment of the Deferred Heap Leach payment totalling US\$1,399,064 million, before interest (“DHL Payment”).

Elephant Copper is now in breach of their requirements under the both the convertible note and the DHL payment. To date the Company has fully provided for the consideration to be received under the Share Sale Agreement.

Segilola Gold Project (the “Segilola Gold Project”)

In May 2007, Segilola Gold Limited (“SGL”), a wholly owned subsidiary of RTG, entered into a joint venture with Tropical Mines Limited (“TML”), a private company based in Nigeria, to earn a 51% interest in the Segilola Gold Project in Nigeria. Ultimately there was a dispute over the full earn in of the 51% and it has been referred to Arbitration which at present has been deferred pursuant to an order from the Federal High Court of Nigeria (the “Court”). The case is currently before the Court and has been adjourned until June 1, 2016.

RTG still has in place an unconditional share sale and purchase agreement dated October 10, 2013 for the sale of RTG’s 51% interest in the Segilola Gold Project in Nigeria (the “Segilola Sale”) for approximately US\$14 million with Segilola Resources Operating Limited (“SROL”). The purchaser is yet to rectify the default of their obligations for completion, and have advised they are still seeking to remedy the default. The Segilola Sale also provides for full settlement of the related disputes in relation to the Segilola Gold Project between Ratel Group, SGL, TML, SROL, Bakrie Delano Africa Limited, NGM Resources Limited and Mr. Oladipo Delano under the terms of an agreed settlement deed (the “Settlement Deed”). This includes the settlement of the injunctive proceedings brought by SGL before the Court and the interim injunction issued against SGL by the Court dated June 18, 2012.

On the completion date of the Segilola Sale, signed counterparts of the Settlement Deed will be released from escrow and come into effect. As a result each of the injunctive proceedings is expected to be discontinued with no order as to costs and each party will bear their own costs.

Obuasi Joint Venture

In 2010 Ratel Group entered into an acquisition agreement to purchase all the shares in CAML Ghana Limited (“CAML Ghana”) which terminated due to no Ghanaian Ministerial approval. Westchester Resources Limited (“Westchester”), a joint venture partner with CAML Ghana, issued proceedings in Ghana against a number of parties, including Ratel Group in February 2012, which was considered both unsubstantiated and without foundation (“Ghana Proceedings”).

In July 2013, a hearing took place before the Arbitral Tribunal in London finding in favour of CAML Ghana and on November 14, 2013, CAML Ghana filed a petition in the United States District Court. On May 21, 2014, the United States District Court issued a stipulated order (“Order”). Pursuant to the Order, Westchester was to commence proceedings in England, the seat of the arbitration, to challenge the Arbitration Award (“English Proceedings”). Westchester failed to commence the English Proceedings and a settlement agreement was signed in the second quarter of 2015.

Financing

As at December 31, 2015, the Company had cash and cash equivalents of \$4,561,717.

The Company manages liquidity risk through maintaining sufficient cash, or credit terms with its suppliers to meet the operating requirements of the business and investing excess funds in highly liquid short term cash deposits. The Company's liquidity needs can likely be met through existing cash on hand and debt facilities. These will likely be sufficient to meet our necessary capital requirements, subject to the current forecast operating parameters being met.

Employees

As of December 31, 2015, RTG has 6 full-time equivalent employees. Management considers the relationship between RTG and its employees as sound.

Competitive Conditions

The mining industry is intensely competitive in all of its phases and the Company will compete with many companies possessing greater financial and technical resources than the Company. Competition in the minerals and mining industry is primarily for mineral rich properties that can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for minerals, but conduct refining and marketing operations on a global basis. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for mineral exploration and success in the future.

Cycles

The Company's business is not significantly affected by seasonal changes, other than seasonal weather.

Environmental Protection

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. To date, applicable environmental legislation has had no material, financial or operational affects upon the operation of the Company. See also "Risk Factors – Environmental Risk".

4. Risk Factors

As a mining company, the Company faces the financial, operational, political and environmental risks inherent in the nature of its activities. These risks may affect the Company's profitability and level of operating cash flow. The Company also faces risks stemming from other factors, such as disputes with joint venture partners, changes in Government policies and representatives, fluctuations in gold prices, oil prices, interest rates, exchange rates, tax or royalty rates or the adoption of new interpretations relating to gold prices, oil prices, interest rates, exchange rates, tax or royalty rates or the adoption of new interpretations relating thereto and financial market conditions in general. As a result, the securities of the Company must be considered speculative and in evaluating the securities of the Company, the following factors, amongst other things, should be considered.

Counterparty risk

There is a general risk, which is higher in the current uncertain economic environment, that contracts and other arrangements to which RTG or any of its subsidiaries are party and obtain a benefit (such as sale, service and supply agreements) will not be performed by the relevant counterparties, including if those counterparties become insolvent or are otherwise unable to perform their obligations.

There are also specific risks in relation to:

- i. The Share Sale Agreement for SML dated August 26, 2013 entered into between Zambian Mining (as seller) and Elephant Copper (as buyer) in that Elephant Copper has failed to comply with its post completion obligations under the Share Sale Agreement by failing to repay the DHL Payment by January 1, 2014 or completing an IPO by December 31, 2013. Elephant Copper has now also breached its obligations of repayment on January 1, 2015 under the Convertible Note. There is a risk that Elephant Copper will not perform its post completion obligations under the Share Sale Agreement. To date the Company has fully provided for the consideration to be received under the Share Sale Agreement.
- ii. The Share Sale and Purchase Agreement for SGL between Ratel Group (as seller and SROL (as purchaser) in that the Share Sale and Purchase Agreement came into effect on October 10, 2013, but a revised completion date has not yet been agreed between the parties therefore SROL is in breach of the Share Sale and Purchase Agreement by having failed to pay the \$US1 million as initial consideration. There is a risk that SROL will not perform its completion and post completion obligations under the Share Sale and Purchase Agreement.

Litigation risks

Legal proceedings may arise from time to time in the course of RTG's activities. There have been cases where the rights and privileges of mining and exploration companies have been the subject of litigation. RTG cannot preclude that such litigation may be brought against a member of RTG in the future from time to time.

There are specific litigation risks in that members of RTG are involved, either directly or indirectly, in the following unresolved litigation, arbitration or disputes. See *Legal Proceedings and Regulatory Actions* for more information:

- i. arbitration proceedings and litigation between TML and SGL concerning SGL's percentage ownership interest in the Segilola Gold Project joint venture in Nigeria;
- ii. a claim by GeoHydro Consulting Services Limited against TML and SGL for alleged damages to equipment and premature termination of a drilling contract.
- iii. Deferred Consideration Claim being conditional on receiving approval of the Motion for Reconsideration of a Notice of Denial of the Nalesbitan Project APSA-V-002;
- iv. claim for royalty on small scale mining permit production;
- v. Bunawan Project permit APSA-03-XIII being subject to a number of claims including the cases of Valley Mining and Development Corp. vs. Safariland Resources Co. and PICOP Resources, Inc. vs. Safariland Resources Co. and
- vi. Galeo is attempting, through legal action in the Philippines, to be named as a co-permittee on Mt. Labo exploration permits.

Political Risks in Africa

RTG currently holds an interest in a gold exploration project in Nigeria, the Segilola Gold Project which is currently the subject to the Share Sale and Purchase Agreement, which may be considered to have high political and sovereign risk. Any material adverse changes in government policies or legislation of Nigeria, or any other country in Africa that RTG has economic interests in that affect mineral exploration activities, may affect the Share Sale and Purchase Agreement and profitability of RTG.

Political risks in the Republic of the Philippines

The 1987 Philippine Constitution restored a Presidential-style republican government to the Philippines. The President heads the executive branch of government and can serve no more than

a single 6-year term. While the Presidency commands great prestige and moral authority, executive powers are constrained by constitutional safeguards designed to avoid a repetition of Marcos-era excesses. Personality and patronage form the basis of the Philippines' political system, and the bureaucracy suffers from insufficient transparency. Demonstrations against incumbent governments are a feature of Filipino life and reflect voter disaffection.

From time to time, the New People's Army that is located near RTG's mining tenements impose demands (by way of access fee or contribution) which can increase exploration risk. The Australian Department of Foreign Affairs maintains a travel advisory level of 'high degree of caution' for travel to the Philippines as a whole and a 'reconsider your need to travel' advice warning for Eastern Mindanao.

While RTG will be operating exploration projects in Eastern Mindanao, its properties are not located in high risk areas.

Exchange rate risk

RTG will report its financial results and maintain its accounts in United States dollars. RTG's activities in Australia, Philippines, Africa and Canada, as well as any future foreign countries make it subject to foreign currency fluctuations. RTG does not at present, nor does it plan in the future, to engage in foreign currency transactions to hedge exchange rate risks. There can be no assurance that RTG will not be materially and adversely affected thereby.

Uncertainty of Reserve and Resource estimates

RTG's figures for Reserves and Resources presented in its public documents filed by RTG on the SEDAR website are estimates based on limited information acquired through drilling and other sampling methods. No assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realised. The ore grade actually recovered may differ from the estimated grades of the Reserves and Resources. Such figures have been determined based upon assumed gold, silver, iron, or copper prices and operating costs. Future production could differ dramatically from Reserve estimates for, among others, the following reasons: mineralisation or formations could be different from those interpreted by drilling and sampling; increases in operating mining costs and processing costs could adversely affect reserves; the grade of the Reserves may vary significantly from time to time and there is no assurance that any particular level of gold or copper may be recovered from the Reserves; and declines in the market price of gold or copper may render the mining of some or all of the current Reserves uneconomic. Any of these factors may require RTG to reduce its Reserves estimates or increase its costs.

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, Resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

Share market conditions

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of RTG Shares. Neither RTG nor its directors warrant the future performance of the Company or any return on an investment in the Company.

Changes to tax environment

As a company incorporated in BVI, should there be any changes in BVI tax law, in particular, if BVI imposes a dividend withholding tax regime, this could have an adverse cash impact on shareholders of RTG.

Exploitation, exploration and mining licences

Exploration and mining activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents, which may be withdrawn or made subject to limitations. There is no guarantee that, upon completion of any exploration, a mining licence will be granted with respect to exploration territory. There can also be no assurance that any exploration licence will be renewed or if so, on what terms. These licences place a range of past, current and future obligations on the Company. In some cases there could be adverse consequences for breach of these obligations, ranging from penalties to, in extreme cases, suspension or termination of the relevant licence or related contract.

In addition, there are risks attaching to exploration and mining operations in a developing country which are not necessarily present in a developed country. These include economic, social or political instability or change, hyperinflation, currency instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties as well as government control over mineral properties. Any future material adverse changes in government policies, representatives or legislation that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of combined group's or rights to title or tenure.

Nature of mineral exploration and mining

Mineral exploration and development is a speculative business, characterised by a number of significant uncertainties, these include failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

Unprofitable efforts may result not only from the failure to discover mineral deposits but also from finding mineral deposits that are insufficient in quantity and/or quality to return a profit from production. Even deposits that could be sufficient to provide a profit from production are not guaranteed to do so because management of the mining operation may fail to perform adequately. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the Company's control and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of mining facilities, mineral markets and processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and metals, and environmental protection, a combination of which may result in the Company not receiving an adequate return on invested capital.

While the discovery of a mineral structure may result in substantial rewards, few properties that are explored are ultimately developed into economically viable operating mines. Major expenditures may be required to establish Reserves by drilling, constructing, mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary feasibility studies or full feasibility studies on the Company's projects or the current or proposed exploration programmes on any of the properties in respect of which the Company will have exploration rights will result in a profitable commercial mining operation.

The Company's operations are subject to all of the hazards and risks normally incidental to the exploration, development and production of precious metals and base metals, any of which

activities could result in damage to life or property, environmental damage and possible legal liability for any or all such damage caused. The Company's activities may be subject to prolonged disruptions due to adverse weather conditions. Hazards, such as unusual or unexpected formations, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material.

Development and operation of mines and production and processing facilities may also be affected by mechanical difficulties, operational errors, labour disputes, damage to or shortage of equipment, earthquakes, fires or other natural disasters, civil unrest, leaks or pollution. These events are largely beyond the control of the Company.

Whether a precious metal or a base metal deposit will be commercially viable depends on a number of factors, some of which are particular attributes of the deposit (such as its size and grade), proximity to infrastructure, financing costs and governmental regulations (including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of precious metals or base metals and environmental protection). The effect of these factors cannot be accurately predicted.

Operations in countries like the Philippines may involve an exposure to security related issues such as rebel activity which may cause physical damage to property or other damage to the assets of the Company or employees and others. The basis for this activity may be personally motivated, or motivated by ideology or for commercial gain and the Company may have limited control over or warning (if any) of such actions. Such actions could have an adverse effect on the Company or perceptions thereof.

Payment obligations

Under its exploration permits and licences and certain other contractual agreements to which the Company is or may in the future become party, the Company is or may become subject to payment and other obligations. In particular, permit holders are required to expend the funds necessary to meet the minimum work commitments attaching to the permits and licences. Failure to meet these work commitments will render the permit liable to be cancelled. Furthermore, failure to comply with any contractual obligations when due, in addition to any other remedies which may be available to other parties, could result in dilution or forfeiture of interests held by the Company.

Commercial risks of mineral exploration and extraction

Even if the Company recovers quantities of minerals, there is a risk the Company will not achieve a commercial return. The Company may not be able to sell the minerals to customers at a price and quantity which would cover its operating and other costs.

The Company may be subject to all of the risks inherent in the establishment of a new mining operation with respect to the Company's mineral assets that in the future move to, the development phase. No assurances can be given to the level of viability that the Company's operations may achieve.

Commodity price volatility

It is anticipated that any revenues derived from mining will primarily be derived from the sale of precious and base metals. Consequently, any future earnings are likely to be closely related to the price of these commodities and the terms of any off-take agreements which the Company enters into.

Metal prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for minerals and metals, forward selling by producers, and production cost levels in major mineral-producing regions.

Moreover, metal prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the metal as well as

general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Dependence on key personnel

The Company will be reliant on a number of key personnel. The loss of one or more of its key personnel could have an adverse impact on the business of the Company.

Furthermore, it may be particularly difficult for the Company to attract and retain suitably qualified and experienced people, given the current high demand in the industry and relative size of the Company, compared with other industry participants.

Insurance

While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or that certain risks could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, adversely affecting the Company's earnings and competitive position in the future and, potentially, its financial position. In addition, the potential costs that could be associated with compliance with applicable laws and regulations may also cause substantial delays and require significant capital outlays, adversely affecting the Company's earnings and competitive position in the future and, potentially, its financial position.

New projects and acquisitions

The Company proposes to actively seek acquisitions that may add value. The acquisition of new business opportunities (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the board of directors of the Company ("Board") will need to re-assess, at that time, the funding allocated to current projects and new projects and/or the raising of additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with mining and exploration activities will remain.

Dilution

The Company may require additional funds to fund its exploration and development programs and potential acquisitions. If the Company raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of RTG shareholders.

Furthermore, future RTG agreements may, and a number of RTG's existing agreements do, provide for additional issuances of RTG Shares that may result in dilution to shareholders. Issuances of substantial amounts of RTG's securities, or the availability of such securities for sale, could adversely affect the prevailing market prices for RTG's securities. A decline in the market prices of RTG's securities could impair RTG's ability to raise additional capital through the sale of securities should it desire to do so.

Environmental risk

The exploration for minerals, development of mines and production of metals can be hazardous to the environment and environmental damage may occur that is costly to remedy. If the Company is responsible for any environmental damage, then it may incur substantial remediation costs or liabilities to third parties.

The Company may be involved in operations that may be subject to environmental and safety regulation (including regular environmental impact assessments and permitting). This may include a wide variety of matters, such as prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The regulations may change in a manner that may require stricter or additional standards than those currently in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations. There may also be unforeseen environmental liabilities resulting from exploration and development activities, which may be costly to remedy. In particular, the acceptable level of pollution and the potential clean-up costs and obligations and liability for toxic or hazardous substances for which the Company may become liable as a result of its activities may be impossible to assess against the current legal framework and current enforcement practices. There is no assurance that future changes in environmental regulation will not adversely affect the activities of the Company.

More specifically, the operations of the Company are subject to extensive environmental, health, and safety regulation relating to the safety and health of employees, the protection of air and water quality, hazardous waste management, and mine reclamation in the jurisdictions in which they operate. These regulations establish limits and conditions on the ability of a mining company to conduct its operations. The cost of compliance with these regulations can be significant. The regulatory environment could change in ways that would substantially increase its liability or the costs of compliance and that could have material effect on operations or financial position of the Company.

Exploration in the Republic of the Philippines

The Philippines is a developing country with a democratic system of government, and well established and expanding mining industries.

There are, however, risks attaching to exploration and mining operations in a developing country which are not necessarily present in a developed country. These include economic, social or political instability or change, security concerns, hyperinflation, currency non-convertibility or instability and changes of law effecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties and government control over mineral properties.

Any future material adverse changes in government policies or legislation in the Philippines that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of RTG.

General title risks in the Republic of the Philippines

New mining legislation was introduced in the Philippines in 1995, which involved converting previous mineral tenements to the new title system. There are significant delays in the tenement approval process and some of the properties that RTG will be exploring are still in the application stage. All companies investing in mineral exploration in the Philippines have to operate under similar conditions with the possibility of an application being rejected or challenged.

Moreover, the constitutionality of the fiscal regime between the Philippine government and mining investors in a Mineral Production Sharing Agreement under the Philippine Mining Act of 1995 is being assailed before the Philippine Supreme Court. It is alleged that under the current fiscal regime for Mineral Production Sharing Agreements, the State is not receiving its just share in the development, use and exploitation of natural resources. Should the petitioners in the aforementioned Supreme Court case prevail, it is possible that a new fiscal regime will be adopted, resulting in a greater government share.

Land access in the Republic of the Philippines

Immediate access to mineral tenements in the Philippines cannot in all cases be guaranteed. In the Philippines, RTG through its local associates may be required to seek consent of land holders or other persons or groups with an interest in real property encompassed by, or adjacent to, RTG's associates tenements. Compensation may be required to be paid by RTG's associates to land holders and occupiers so that RTG's associates may carry out exploration and/or mining activities. Native title exists in the Philippines and is governed by law. In the Philippines the free prior and informed consent of the affected indigenous groups have to be in place before a mineral tenement can be granted.

Joint Venture Risks

Certain of the properties in which RTG has an interest are operated through joint ventures with other companies. Any failure of such companies to meet their obligations under the joint venture or to third parties, or any disputes with respect to the parties' respective rights and obligations, or failure to act in the best interests of the joint venture, could have a material adverse effect on the joint ventures or their properties. In addition, RTG may be unable to exert control over strategic decisions made in respect of such properties. Any or all of the above circumstances may have a materially adverse effect the operations and performance of RTG.

Common Risk Factors

Investment in publicly quoted securities

Prospective investors should be aware that the value of RTG Shares or RTG Options may go down as well as up and that the market price of RTG Shares or RTG Options may not reflect the underlying value of RTG. Investors may therefore realise less than, or lose all of, their investment.

Potentially volatile share price and liquidity

The share price of emerging companies quoted on the TSX and ASX can be highly volatile and shareholdings illiquid. The price at which RTG Shares and RTG Options are quoted and the price at which investors may realise their RTG Shares or RTG Options may be influenced by a significant number of factors, some specific to RTG and its operations and some which affect quoted companies generally. These factors could include the performance of RTG, large purchases or sales of RTG Shares or RTG Options, legislative changes and general, economic, political or regulatory conditions.

Market perception

The market price of RTG Shares and RTG Options is subject to significant fluctuations due to a change in sentiment in the market. Any such fluctuations could result from national and global economic and financial conditions, the market's response to changes in metal prices, market perceptions of RTG, regulatory changes affecting RTG's operations, variations in RTG's operating results, business developments of RTG companies or their competitors and liquidity of financial markets. The operating results and prospects of RTG from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of RTG Shares and RTG Options.

Economic risk

Changes in the general economic climate in which RTG operates may adversely affect the financial performance of the combined group. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the combined group, industrial disruption, the rate of growth of gross domestic product in Australia and the Philippines or any other country in which the combined group will operate, interest rates and the rate of inflation.

Changes in government policies and legislation

Any material adverse changes in government policies or legislation of Australia and the Philippines or any other country where the combined group may acquire economic interests may affect the viability and profitability of the combined group.

Future capital needs and additional funding

The future capital requirements of the combined group will depend on many factors including the results of future exploration and work programs. Should the combined group require additional funding there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability to obtain additional finance, if required, would have a material adverse effect on the combined group's business and its financial condition and performance. If the combined group is unable to secure capital through credit facilities or other arrangements, it may have to finance projects using equity financing which will have a dilutive effect on the combined group shares.

Current Material Project

Mabilo Project

CSA Global was retained by RTG to complete a MRE at the Mabilo Copper-Gold-Iron Property (the "Mabilo Property") and to prepare the Report in accordance with NI 43-101 to support RTG's public disclosure about the Mabilo Property. The Report was filed on December 18, 2015 and is incorporated by reference into this AIF. The Report is available on under the Company's profile on SEDAR (www.sedar.com). The following is the executive summary of the Report in accordance with disclosure required under NI 51-102F2.

Property and Location

The Mabilo Property is located in Camarines Norte province of the Republic of the Philippines at approximate longitude 122° 47' 00" E latitude 14° 07' 00" N. Road access from Manila is by 340 km of mainly sealed highway, taking about 6 hours. Mt. Labo maintains its site office at Daet, about 30 km east of the Mabilo Property. The Mabilo Property is normally accessed by domestic flight from Manila to Naga followed by a two hour drive to Daet. Access around the Mabilo Property area is on unsealed roads.

The Mabilo Property comprises a granted exploration licence (EP014-2013-V) covering an area of 497.7212 ha and two exploration licence applications (EXPA-000188-V and EXPA-000209-V) covering an area of 3,235.1907 ha. EP014-2013-V was granted in July 2013 and has a term of 2 years, with an option to renew for a further 4 years. Mt. Labo, on behalf of the joint venture, applied for renewal of the licence in July 2015 and the MGB has confirmed that all statutory obligations for this renewal have been met. However, the renewal has not yet been finalised by the MGB in Manila and remains pending.

History

The Paracale Mining District is one of the largest historical gold producing regions in the Philippines, predominantly in the period before World War 2 from narrow quartz-sulphide veins. The 'iron belt' south of the gold district includes a number of historical iron mines based on magnetite skarns. The Larap mine is estimated to have produced approximately 20 Mt of iron ore from several different magnetite bodies between 1918 and 1975. Sub-economic porphyry Cu mineralisation is also reported in the belt at Matanlang.

Mabilo lies south of the main Paracale 'iron belt', though in a similar geological setting, and includes similar magnetite skarns that have been worked historically on a small scale. A number of other magnetite skarn occurrences were worked in the area in the 1960's and 1970's, including the Venida pit within the Mabilo Property.

Gold Fields Philippines Corporation ("GFPC") registered six mineral claims over the Mabilo Property in 1987, covering the same area as the current exploration licence, and drilled 10 diamond drill holes which formed the basis for a small historical Resource estimate (not classified under CIM guidelines). GFPC was acquired by Eldore Mining Corporation ("Eldore") in 1995, which conducted

an extensive ground magnetic survey in 2007. In 2011, 64% of Eldore was acquired by Sierra and the company name was changed to Mt. Labo.

Ownership

RTG is an Australian-based mining and exploration company with a principal listing on the main board of the TSX and a secondary listing on the ASX as trading symbol "RTG" as a result of its merger with Sierra on June 5, 2014. The Mabilo Property is held in joint venture by Mt. Labo, with RTG holding an indirect interest through Mt. Labo.

Geology and Mineralisation

The Mabilo Property occurs in the Paracale district of the Pacific Cordillera arc belt of the Philippines archipelago. The geology of the Philippine archipelago is dominated by a complex sequence of juxtaposed and superimposed island arcs formed by multiple episodes of subduction, arc-magmatism, ocean basin closure, collision, ophiolite accretion and lateral translation of terranes through regional strike-slip faulting. The economically most important mineralisation in the Philippines occurs within porphyry copper-gold and epithermal gold-silver deposits, mostly of Pliocene age.

In the Paracale district, Pre-Pliocene arc magmatism is related to eastward subduction on the Luzon trench which was followed by collision, ophiolite obduction, and initiation of westward subduction. The Paracale Granodiorite (trondhjemite) intrudes the Cretaceous ultramafic basement. The ophiolite basement is unconformably overlain by Eocene sediments overlain by the Oligocene Larap Volcanics. Late Miocene-Pliocene dacitic intrusions cut the sedimentary belt. All these units are overlain to the south by Pliocene andesitic and dacitic pyroclastics and tuffs of the Macogon Formation, covered in turn by southeast-thickening lahar and tuff deposits of the Quaternary Labo Volcanic Complex.

Total historical gold production from the Paracale Mining District is estimated to have been 5 million ounces, predominantly from narrow quartz-sulphide veins and including alluvial gold. The Eocene sedimentary sequence hosts a number of magnetite skarns and base metal occurrences within the base metal or iron belt, including the historical Larap mine. The mineralisation is anomalous in copper, gold, and molybdenum. Low-grade porphyry copper mineralisation is also reported in the same belt.

The Mabilo Property skarn deposit lies about 20 km southeast of Larap and appears to be of the same style and association, although with higher grades of copper and gold. The deposit is 500 m south of the small Venida pit, concealed under cover of the Labo volcanics. The Mabilo Property deposit occurs in two bodies, the NMZ and South Mineralised Zone ("SMZ"), separated by an offsetting fault. The magnetite skarn is hosted by marble and calcareous sediments in the hornfelsed contact zone of a quartz-diorite intrusion. The main skarn horizon replaces a clean limestone or marble unit and has a true thickness of up to 40 to 90 m, dipping west to southwest at 20 to 40 degrees.

Primary mineralisation comprises massive magnetite intergrown with minor calc-silicate minerals, chalcopryrite and late interstitial calcite. Copper and gold grades are closely correlated and commonly reach 5% Cu and 5 g/t Au in hypogene mineralisation. The copper-gold grade of magnetite skarn is variable and barren magnetite also occurs. The magnetite skarn is variably overprinted by quartz-pyrite-arsenopyrite veining and brecciation. This event may be associated with high-grade hypogene bornite.

The upper part of the skarn is strongly oxidised with associated supergene alteration to hematite and secondary copper minerals. The oxide zone may be up to 20 m to 30 m thick and a supergene zone of high-grade sooty chalcocite locally occurs at its base. This weathering event pre-dates the Labo volcanic unconformity.

Exploration

Sierra commenced a drill programme at Mabilo Property in 2012, initially targeting magnetic bodies modelled from the magnetic survey completed by previous owners. Sierra subsequently completed its own ground magnetic surveys and revised the magnetic models. Sierra drilled 12 holes in late 2012, completed a new magnetic survey in early 2013, and commenced a second phase of drilling after the grant of the tenement in July 2013. Initial drilling encountered broad intersections of magnetite skarn with significant copper-gold-silver mineralisation.

Drilling

The MRE is based on the data obtained from 99 diamond drill holes for 18,188.5 m as of end September 2015 in the SMZ and NMZ areas. Holes are drilled on a nominal 40 m by 40 m drill pattern along strike, with infill to a nominal 20 m by 20 m in parts. Approximately 30% of the holes have been drilled vertically. Roughly 40% of the holes have been drilled at 60° and the remainder drilled at angles between 45° and 80°. The direction of these holes is broadly perpendicular to the mineralisation, with a number of holes drilled in directions intended to help with the understanding and interpretation of structures, which appear to be offsetting the mineralisation.

Mineral Resource Estimate (“MRE”)

For the SMZ, the MRE is based on 3,073.71 m of assay data from 61 holes which intersected the interpreted mineralisation zones. For the NMZ, the MRE is based on 1,149.9 m of assay data from 21 holes which intersected the interpreted mineralisation zones.

A geological model was provided by Mt. Labo, based on implicit modelling of the logged lithology using LeapFrog® software and understanding of deposit geometry developed over time. The model includes interpreted structures, the boundary contact surface of the overlying Labo volcanic sequence and an oxide weathering boundary surface. This model formed the basis for the interpretation of 41 separate 3-D mineralised lithological envelopes that were constructed using CAE Studio 3 (‘Datamine’) software. The smoothed Leapfrog generated Labo and Oxide boundary surfaces were also modified to better fit the actual drill logging data.

Modelled magnetite skarn envelopes were interpreted based on drill-hole lithological logging. The unit was limited against interpreted structures. Within the magnetite skarn, small zones along sections of the edges are not mineralised with Au and Cu above the selected 0.3 g/t Au or 0.3% Cu grade cut-off. Separate Au-Cu mineralised envelopes were generated within the magnetite skarn to ensure that grade continuity can be more accurately represented during grade estimation. Other lithological units modelled in the system are also not necessarily mineralised to potentially economic levels of Au, Cu and Fe throughout their full extent. These envelopes were modelled using lithological logging and nominal lower cut-off grades of 0.3 g/t Au or 0.3% Cu. The 3-D envelopes representing the mineralised zones were grouped into 14 domains based on lithology type and deposit location for estimation and reporting.

A block model constrained by the interpreted mineralised envelopes and boundary surfaces was constructed using Datamine. A parent cell size of 10 m E by 10 m N by 5 m RL was adopted. 1 m composited samples were used to interpolate Cu, Au, Ag and Fe grades into the block model. Block grades were validated by means of swath plots, overlapping histograms of sample and block model data and comparison of mean sample and block model grades for each domain. Cross sections showing the block model and drill-hole data were also reviewed.

Density was assigned to the model based on linear regression formulas determined for the weathered and unweathered zones. The regression formulas are based on the correlation between density and Fe which followed statistical analysis. The overall average density of the mineralised weathered zones is 2.96 t/m³ compared to 3.70 t/m³ for the unweathered zones. The average density from measured samples taken outside the interpreted mineralised zones was assigned to waste blocks: 2.2 t/m³ was assigned in the Labo volcanic sequence, 2.33 t/m³ was assigned in the weathered zone and 2.71 t/m³ was assigned in the unweathered zone.

Table 2: Mineral Resource Estimate as at November 2015 for the Mabilo Project

Weathering	Classification	Million	Cu	Au	Ag	Fe %	Cu Metal	Au Oz	Fe Metal
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State		Tonnes	%	g/t	g/t		(Kt)	('000s)	(Kt)
Oxide + Supergene	Indicated	0.78	4.1	2.7	9.7	41.2	32.1	67.1	320.8
	Inferred	0.05	7.8	2.3	9.6	26	3.7	3.5	12.3
Fresh	Indicated	8.08	1.7	2	9.8	46	137.7	510.5	3,713.7
	Inferred	3.86	1.4	1.5	9.1	29.1	53.3	181.5	1,121.8
Combined	Indicated (Total)	8.86	1.9	2	9.8	45.6	169.8	577.6	4,034.5
Combined	Inferred (Total)	3.91	1.5	1.5	9.1	29	57	184.9	1,134.1

Note: Differences may occur due to rounding. All elements reported as total estimated in-situ for blocks above 0.3 g/t Au lower cut-off, no recovery factors have been considered. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

5. Events Subsequent to December 31, 2015

The Company announced on March 18, 2016 the results from an independent FS for 100% of the Mabilo Project in southeast Luzon, Philippines. The FS demonstrates the potential for the Mabilo Project to outperform, specifically reinforcing the resilience of the Mabilo Project despite current commodity prices. The Mabilo Project is both high grade and low cost underpinning the robust economics presented in the FS including a 33% IRR after tax (43.6% with only a 10% lift in commodity prices) and an equivalent operating cost of US\$0.80/lb copper equivalent or US\$425/oz gold equivalent for concentrate production.

6. Dividends

The Company does not anticipate that it will pay dividends in the foreseeable future. The declaration of dividends on the share capital of the Company is within the discretion of the Board and will depend on their assessment of, among other factors, earnings, capital requirements and the operating and financial condition of the Company. At the present time, the Company is not in operating phase, hence has not currently declared a profit from which to distribute dividends from.

7. Description of the Capital Structure

The Company is authorised to issue an unlimited number of shares, of which 134,252,237 are issued and outstanding as at the date of this AIF. Each share entitles the holder to one vote. All shares held in the Company rank equally as to dividends, voting powers and equal participation in assets upon liquidation. The Company also has Chess Depository Nominee ("CDI") Holders. A CDI represents a beneficial interest in an underlying share. CDIs rank equally in all respects with existing shares in RTG; however, there are certain differences between CDIs and shares (in particular in relation to voting and how other rights are exercised). The Company also has in place a Loan Funded Share Plan ("Plan") which allows the Company to issue shares of up to 10% of the issued and outstanding RTG Shares from time to time on a non-diluted basis, to eligible directors and employees. There are currently 1,400,000 shares on issue under this Plan, post 1:10 share consolidation completed June 2014 .

As of the date of this AIF, there are 134,252,237 RTG Shares issued and outstanding and 8,784,687 options over RTG Shares with an exercise price of \$CAD 1.50 and expiry of June 4, 2017.

8. Market for Securities

The shares of the Company are listed for trading on the ASX and TSX under the trading symbol "RTG".

Trading Price and Volume

The following table outlines the volume, high and low prices of the RTG Shares on the TSX on a monthly basis from January 1, 2015 through to December 31, 2015.

Year	Month	High (C\$)	Low (C\$)	Volume (No. of RTG Shares)
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2015	December	0.45	0.33	3,200
2015	November	0.50	0.42	600
2015	October	0.50	0.37	5,800
2015	September	0.52	0.32	36,700
2015	August	0.61	0.52	100
2015	July	0.71	0.61	400
2015	June	0.75	0.61	3,200
2015	May	0.74	0.52	15,200
2015	April	0.65	0.51	19,400
2015	March	0.69	0.52	13,500
2015	February	0.71	0.62	8,800
2015	January	0.79	0.60	15,300

The following table outlines the volume, high and low prices of the RTG Shares on the ASX on a monthly basis from January 1, 2015 through to December 31, 2015.

Year	Month	High (A\$)	Low (A\$)	Volume (No. of RTG Shares)
2015	December	0.43	0.34	75,000
2015	November	0.495	0.435	29,200
2015	October	0.565	0.46	110,500
2015	September	0.555	0.465	13,000
2015	August	0.66	0.48	42,500
2015	July	0.75	0.655	95,100
2015	June	0.87	0.64	180,800
2015	May	0.81	0.57	126,700
2015	April	0.68	0.545	149,000
2015	March	0.69	0.54	193,700
2015	February	0.75	0.63	144,300
2015	January	0.84	0.67	69,000

Prior Sales

The following table summarizes the issuance by the Company of RTG Shares or RTG Options convertible into RTG Shares in the most recent financial year to December 31, 2015.

Shares	Number	Price per Share (\$A)	Price Per Share (\$C)
Opening balance at January 1, 2015	111,973,237	[•]	N/A
Share issue –Tranche 1 (February 18, 2015)	16,036,372	0.68	N/A
Share issue –Tranche 1 (February 18, 2015)	753,624	N/A	0.66
Share issue –Tranche 2 (April 16, 2015)	5,242,628	0.68	N/A
Share issue –Tranche 2 (April 16, 2015)	246,376	N/A	0.66
Total shares on issue at December 31, 2015	134,252,237		

Options	Number	Price Per Options (\$C)
Opening balance at January 1, 2015	8,784,687	
Exercise of options	-	N/A
Total options on issue at December 31, 2015	8,784,687	

*Exercisable at C\$1.50 on or before June 4, 2017.

9. Escrowed Securities

There are currently no securities under escrow arrangements.

10. Directors and Officers

The following table indicates the names of the current directors and executive officers of the Company, place of residence, position within the Company, principal occupations within the 5 preceding years, periods which each has served as a director or officer and the number of shares or options beneficially owned, or controlled and directed, directly or indirectly, by the directors and executive officers as at March 31, 2016. The term of office of each of the directors of the Company expires at the Company's next annual general meeting of shareholders.

Name, Position and Place of Residence	Principal Occupations During Five Preceding Years	Period as a Director or Executive Officer	RTG Shares Beneficially Owned Directly or Indirectly
Mr. Michael Carrick ⁽²⁾ Director and Chairman Perth, Western Australia	Director and Chairman of RTG. Previously Director B2Gold Limited, Director and CEO of CGA Mining Limited, Director of RTG Limited, Director of RTG Mining Limited, AGR Limited, and Chief Executive Officer of Resolute Limited.	March 28, 2013 to present	527,734 shares
Miss Justine Magee Director and Chief Executive Officer Perth, Western Australia	Director and CEO of RTG. Previously Director and CFO of CGA Mining Limited.	March 28, 2013 to present	345,404 shares
Mr. Robert Scott ^{(1) (2) (3)} Independent	Non-Executive Director of RTG, former Non-Executive Director of CGA Mining Limited. Currently holds directorships on Sandfire	March 28, 2013 to present	80,770 shares

Director and Risk and Audit Committee Chair Perth, Western Australia	Resources NL, Lonestar Resources Limited, Homeloans Limited, and TFS Properties Ltd. Mr Scott was previously a director of Manas Resources Limited and Neptune Marine Services.		
Mr. David Cruse ^{(1) (2) (3)} Independent Director Perth, Western Australia	Non-Executive Director of RTG, former Non-Executive Director of CGA Mining Limited, current director of Odyssey Energy Limited	March 28, 2013 to present	894,280 shares
Mr. Phillip Lockyer ^{(1) (3)} Independent Director Perth, Western Australia	Non-Executive Director of RTG, former Non-Executive Director of CGA Mining Limited, Focus Minerals Limited, Perilya Limited and St Barbara Limited and currently holds directorships on Swick Mining Services Limited and Western Desert Resources Limited.	March 28, 2013 to present	65,385 shares
Mr. Nick Day Company Secretary and Chief Financial Officer Perth, Western Australia	CFO and Company Secretary of RTG. Previously Mr Day was Director, CFO and Company Secretary of Coventry Resources Inc. He has also held Company Secretary and Financial Consultancy positions with Paringa Resources Limited; Black Range Minerals; Birimiam Gold; Ebooks.com; and was CFO and Company Secretary of Antaria and AIM & ASX listed mining company Albidon Ltd.	January 21, 2015 to present	N/A
Mr. Ryan Gurner Company Secretary and Chief Financial Officer Perth, Western Australia	Previously CFO and Company Secretary of RTG Mr. Gurner resigned on January 21, 2015.	September 9, 2014 to January 21, 2015	N/A

- (1) Member of Risk and Audit Committee
(2) Member of Remuneration and Nomination Committee
(3) Member of Disclosure Committee

As of the date of this AIF, approximately 1,913,573 shares of the Company were beneficially owned, or controlled or directed, directly or indirectly, by the current directors and executive officers of the Company as a group, representing approximately, 1.4% of the issued and outstanding shares of the Company on a non-diluted basis.

To the knowledge of the Company, no director or executive officer of the Company is, as at the date of this AIF, or has been in the last 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) while that person was acting in that capacity, was subject to a cease trade order or similar order or an order that denied the issuer access to any exemptions under Canadian securities legislation, that was in effect for a period of more than 30 consecutive days; or
(b) was subject to a cease trade order or similar order or an order that denied the issuer access to any exemptions under Canadian securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after that person ceased to be a director,

chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the Company, no director or executive officer or shareholder holding a sufficient number of securities of the Company to materially affect the control of the Company:

- (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that while that person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this AIF become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of the Company, no director or executive officer of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

11. Legal Proceedings and Regulatory Actions

Segilola Gold Project Disputes

The Segilola Sale and legal proceedings as summarised in Section 3 provides for the Settlement Deed. On the completion date of the Segilola Sale, signed counterparts of the Settlement Deed will be released from escrow and the terms of the Settlement Deed will come into effect. As a result, each of the injunctive proceedings is expected to be discontinued with no order as to costs and each party will bear their own costs. A summary of the background and status of the dispute is set out in section 3 and 4.

Deferred Consideration Claim

The interest in the Mabilo Project is held through Mt. Labo Exploration & Development Corporation. On November 2, 2011, Sierra, in conjunction with its Philippine associate, entered a heads of agreement with Mining Consultants, Ltd. ("MC") (the "Heads of Agreement") to acquire Mt. Labo, which holds the Nalesbitan Project and Mabilo Project. Consideration for the acquisition included deferred consideration of 1.75M new ordinary Sierra Shares plus cash consideration of A\$125,000 ("Deferred Consideration"). The Deferred Consideration was conditional on receiving approval of the Motion for Reconsideration of a Notice of Denial of the Nalesbitan Project APSA-V-002 within two years from the date of execution of the Heads of Agreement. The two year period expired on November 2, 2013 and the Motion for Reconsideration had not been approved. Sierra therefore did not pay the Deferred Consideration.

On October 29, 2013, one of the parties to the Heads of Agreement filed with the Makati City Regional Trial Court, Branch 146 ("RTC") a Petition for Declaratory Relief in the Philippines seeking to extend the date for receiving the favorable decision on the Motion for Reconsideration. Should the RTC uphold the Petition, the period within which to receive approval of the Motion for Reconsideration may be extended by up to 600 days and the Deferred Consideration may still become payable. The value of the current Deferred Consideration, if the action is successful, is currently estimated to be A\$562,500.00.

On 04 December 2015, the RTC issued its Decision dismissing the Petition for Declaratory Relief. Petitioner Timothy E. Collver filed his Motion for Reconsideration to the RTC's Decision, while respondent Mt. Labo Exploration and Development Corporation filed its Motion for Partial Reconsideration to the RTC's ruling that Executive Order No. 79, Series of 2012, constitutes force majeure with respect to the Heads of Agreement. To date, the Motions are currently pending with the RTC.

Claim for Royalty on Small Scale Mining Permit Production

Pursuant to the royalty agreement with regards to the Mabilo Project dated November 2, 2011 (the "Mabilo Royalty Agreement"), a royalty is payable in favour of MC in the amount of 1% of the Net Mining Revenue (defined as Gross Output for a Quarter less Deductible Expenses) over EP-014-2013-V.

In 2012, Mt. Labo granted consent to a Small Scale Mining Permit ("SSMP") holder within the boundaries of EP-014-2013-V. The SSMP entitles the holder to extract a maximum of 50,000 tonne ore per annum. Pursuant to the granting of the consent, the SSMP holder is required to pay to Mt. Labo an amount equal to 1% of gross sales. Despite repeated requests, the SSMP holder is yet to pay any amount to Mt. Labo and has not provided any production information. The SSMP and Mt. Labo's consent has subsequently expired, and RTG understands that production has ceased. C-20 Whilst RTG has been unable to quantify the production from the SSMP, there remains a risk that it may be liable to pay a royalty to MC and that legal action may be taken.

APSA-03-XIII – Claims

The Bunawan Project permit APSA-03-XIII is subject to a number of claims including the cases of Valley Mining and Development Corp. vs. Safariland Resources Co. and PICOP Resources, Inc. vs. Safariland Resources Co. APSA- 03-XIII is held by Safariland Resources Co. on behalf of the Bunawan Project by way of an assignment agreement. The Valley Mining and Development Corp. and PICOP Resources, Inc. claims date back to 1998 and have not been progressed since then. Legal counsel for the Bunawan Project (on behalf of Safariland Resources Co.) has entered appearance in Safariland Resources Co.'s case against PICOP Resources, Inc. to have the same dismissed. Records of the case initiated by Valley Mining and Development Corp. have recently been transmitted to counsel for review. The outcome of Mines Special Cases No. POA-XIII-29 and POA-XIII-30 may affect the rights covered by APSA-03-XIII.

Watershed Forest Reserve – Mabilo Project EP-014-2013-V

Presidential Proclamation No. 318 established the Abasig-Matogdon-Mananap Watershed Forest Reserve as a protected area in the Province of Camarines Norte. Further, a Labo Municipal Ordinance No. 214 prohibits mining activities within a five (5)- kilometre radius from the designated watershed areas at various barangays of Labo, Camarines Norte, effectively increasing the area off-limits to mining activities. EP-014-2013-V is outside the area declared under Presidential Proclamation No. 318, however, part of the permit is within the five kilometre zone established by Municipal Ordinance No. 214.

In September 2013, Mt. Labo was denied the opportunity to present its work program to the legislative body on the basis that EP-014-2013-V falls partially within the protected area established by Municipal Ordinance No. 214. Sierra received legal advice that the Municipal Ordinance prohibiting mining activities within a five kilometre radius is without authority.

Recently, the local legislative body expressed its concerns at a public hearing regarding the possible effects of the project on the water supply. Mt. Labo has initiated water studies to address these concerns.

Galeo - Permitting Claim

The MGB is yet to finalise the renewal of the exploration permit at the Mabilo Project. As part of the process, the joint venture partner, Galeo has requested to be named as a co-permittee on the

permit. Our advice is that Galeo is not entitled to be named under the Galeo Joint Venture Agreement however they are pursuing those objectives through legal action in the Philippines. Mt. Labo is currently reviewing the matter and is in discussions with Galeo.

12. Conflicts of Interest

Certain of the directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company will be required to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

13. Interest of Management and Others in Material Transactions

No director or executive officer of the Company, no person or company that beneficially owns or controls or directs, directly or indirectly, more than 10% of the Company's shares, and no associate or affiliate of the foregoing persons, has or had any material interest, direct or indirect in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company, other than B2 Gold Limited("B2").

B2 was the largest shareholder of both Sierra and RTG. At the time of the release of the Scheme Booklet in April 2014, B2 held 7.44% of Sierra's share capital and 18.2% of RTG's share capital.

14. Transfer Agents and Registrars

The transfer agent and registrar for the Company are:

Computershare Trust Company of Canada
100 University Avenue
8th Floor
Toronto ON M5J 2Y1
Telephone: +1 (416) 263 9482
Facsimile: +1 (416) 981 9800

15. Material Contracts

RTG or its subsidiaries have entered into and are currently party to the following contracts which may reasonably be regarded as material:

(i) Share Sale and Purchase Agreement

Ratel Group and SROL have entered into an unconditional Share Sale and Purchase Agreement for the sale of RTG's 51% interest in the Segilola Gold Project in Nigeria for approximately US\$14 million and as part of the sale process, settle all outstanding disputes between the parties. Under the unconditional Share Sale and Purchase Agreement the total consideration to be received by RTG for the sale of its 51% interest in the Segilola Gold Project is US\$14 million payable by SROL as follows:

- i. A cash amount of US\$1 million which is receivable through the assignment of a shareholder debt (the "Initial Consideration"). The Initial Consideration is payable to RTG on the completion date (described below);
- ii. A cash amount of US\$5 million. This amount is payable to RTG 18 months after the completion date; and

- iii. SROL shall pay RTG a royalty equal to 3% of the Net Smelter Return up to a maximum of US\$8 million in respect of all products that are mined on, produced from or otherwise originate from the Segilola Gold Project following the commencement of commercial operations.

The Share Sale and Purchase Agreement and royalty agreement between SROL and Ratel Group have been executed by the relevant parties and became enforceable in accordance with their terms on October 10, 2013.

Executed completion documents are currently being held in escrow pursuant to an Escrow Agreement. Completion of the Share Sale and Purchase Agreement can occur once the escrow agent is notified of the completion date by Ratel Group and SROL. Whilst completion was originally expected to occur on October 10, 2013 the purchaser is now in default and had advised that they are seeking to remedy the breach.

The parties executed an amendment deed to the Escrow Agreement on March 5, 2014 deleting the current end date under the Escrow Agreement of March 31, 2014 to permit the parties additional time to agree a new completion date.

(ii) Joint Venture with Galeo

The Company has an interest through its associates in the Joint Venture Agreement dated May 10, 2013 with Philippines ("the JVA") with mining contractor and supplier, Galeo, to explore and develop the Mabilo Project and the Nalesbitan Project.

Pursuant to the terms of the unincorporated joint venture, Galeo has earned a 36% interest in the Mabilo Project and the Nalesbitan Project, for conducting drilling services, providing its pro-rata share of funding requirements and providing management services including management of community relations, which has been reflected in an Amendment to the JVA to merge the interests above and below the original 200m limits.

Mt. Labo has also entered a memorandum of understanding with Galeo whereby Galeo can earn an additional 6% interest in the joint venture to take the total interest Galeo can hold and retain up to 42%. The memorandum of understanding, which is subject to a number of conditions precedent, requires Galeo to mine the first 1.5Mt of waste ore to earn the additional interest.

(iii) Nalesbitan Royalty Agreement

Mt. Labo, entered into a royalty agreement in respect of the Nalesbitan Project gold mine tenements (Mining Lease MRD-459 and APSA No-V-0002) with MC on November 2, 2011 (the "Nalesbitan Royalty Agreement"). The Nalesbitan Royalty Agreement was part of the transaction in November 2011 whereby Sierra acquired an interest in Mt. Labo and the existing royalty Sierra agreements were terminated. Pursuant to the new Nalesbitan Royalty Agreement, Sierra agreed to pay MC a royalty of 1% of the net mining revenue from the applicable tenements. There has been no production to date at the Nalesbitan Project and hence no payments have been made under this Nalesbitan Royalty Agreement by Mt. Labo.

(iv) Mabilo Royalty Agreement

Mt. Labo, entered into the Mabilo Royalty Agreement in respect of the Mabilo Project gold prospect tenements (EP-014-2013-V) with MC on November 2, 2011. The Mabilo Royalty Agreement was part of the transaction in November 2011 whereby Sierra acquired an interest in Mt. Labo and the existing royalty agreements were terminated. Pursuant to the new Mabilo Royalty Agreement, Sierra agreed to pay MC a royalty of 1% of the net mining revenue from the applicable tenements. Other than as discussed below, there has been no production to

date at the Mabilo Project and hence no payments have been made under this Mabilo Royalty Agreement by Mt. Labo.

In 2012, Mt. Labo granted consent to a SSMP within the boundaries of EP-014-2013-V. The SSMP entitles the holder to extract a maximum of 50,000 tonne ore per annum. Pursuant to the granting of the consent, the SSMP holder is required to pay to Mt. Labo an amount equal to 1% of gross sales. Despite repeated requests, the SSMP holder is yet to pay any amount to Mt. Labo and has not provided any production information. The SSMP and Mt. Labo's consent has subsequently expired, and RTG understands that production has ceased.

Whilst RTG has been unable to quantify the production from the SSMP, there remains a risk that it may be liable to pay a royalty to MC and that legal action may be taken.

(v) Max Sara loan agreement

Sierra entered into a facility agreement with Max Sara, a director of the Company's Associates, on December 23, 2010 whereby Sierra advanced A\$283,650 to Max Sara to enable Max Sara to exercise 1,525,000 options with an exercise price of \$0.186 and an expiry date of December 31, 2010. The loan was due for repayment on December 23, 2016; however, Sierra has signed with Mr. Sara a 12 month extension to the repayment date.

16. Interests of Experts

BDO Audit (WA) Pty Ltd. is the auditor of the Company. The aforementioned firm held either less than one percent or no securities of the Company or of any associate or affiliate of the Company.

The information in this Report that relates to exploration results at the Mabilo Project is based upon information prepared by or under the supervision of Robert Ayres BSc (Hons), who is a Qualified Person and a Competent Person. Mr. Ayres is a member of the Australian Institute of Geoscientists and a full-time employee of Mt. Labo, a Philippine mining company, an associate company of RTG Mining Limited. Mr. Ayres has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under NI 43-101. Mr. Ayres has verified the data disclosed in this report, including sampling, analytical and test data underlying the information contained in the report. Mr. Ayres consents to the inclusion in the report of the matters based on his information in the form and the context in which it appears.

The information in this Report that relates to Mineral Resources is based on information prepared by or under the supervision of Mr. Aaron Green, who is a Qualified Person and Competent Person. Mr Green is a Member of the Australian Institute of Geoscientists and is employed by CSA Global, an independent consulting company. Mr Green has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under NI 43-101. Mr. Green has verified the data disclosed in this report including sampling, analytical and test data underlying the information contained in the report. Mr. Green consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this Report that relates to Mineral Reserves and Mining is based on information prepared by or under the supervision of Mr. Carel Moormann, who is a Qualified Person and Competent Person. Mr. Moormann is a Fellow of the AusIMM and is employed by Orelogy, an independent consulting company. Mr. Moormann has sufficient experience that is relevant to the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under NI 43-101. Mr. Moormann has verified the data disclosed in this report, including sampling, analytical and test data underlying the information contained in the report. Mr. Moormann consents

to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this Report that relates to Metallurgy and Processing is based on information prepared by or under the supervision of David Gordon, who is a Qualified Person and Competent Person. David Gordon is a Member of the Australasian Institute of Mining and Metallurgy and is employed by Lycopodium, an independent consulting company. David Gordon has sufficient experience that is relevant to the type of process under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under NI 43-101. David Gordon has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in the release. David Gordon consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

The information in this Report that relates to areas outside of exploration results, Mineral Resources, Mineral Reserves and Metallurgy and Processing is based on information prepared by or under the supervision of Mark Turner, who is a Qualified Person and Competent Person. Mark Turner is a Fellow of the Australasian Institute of Mining and Metallurgy and is employed by RTG. Mark Turner has sufficient experience that is relevant to the information under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and to qualify as a "Qualified Person" under NI 43-101. Mark Turner has verified the data disclosed in this report. Mark Turner consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this Report relating to Bunawan exploration results, mineral Resources or ore Reserves is based on information provided to Mr. Robert McLean by RTG. Mr. McLean is an independent consultant geologist and is a corporate member of the Australian Institute of Mining and Metallurgy. Mr. McLean has the relevant qualifications, experience, competence and independence to qualify as an "Expert" under the definitions provided in the Valmin Code, "Competent Person" as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, and as a "Qualified Person" under NI 43-101. Mr. McLean consents to the inclusion in the report of the matters based on the information he has been provided and the context in which it appears.

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms currently hold or have received or will receive registered or beneficial interests in any securities or other property of the Company or of one of the Company's associates or affiliates.

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

17. Risk and Audit Committee

Risk and Audit Committee

The purpose of the Risk and Audit Committee of the Company is to provide assistance to the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Company and its subsidiaries. It is the objective of the Risk and Audit Committee to maintain a free and open means of communication among the Board of the Company, the independent auditors and senior management of the Company.

The full text of the Charter of the Risk and Audit Committee is included as Schedule A to this AIF.

Composition of the Risk and Audit Committee

The Risk and Audit Committee is comprised of Robert Scott, Phil Lockyer and David Cruse. All members are independent within the meaning of NI 52-110. Each of the members is financially literate under Section 1.5 of NI 52-110.

Relevant Education and Experience

Robert N Scott – Non –Executive Director and Chair of the Risk and Audit Committee

Mr. Scott is a Fellow of the Institute of Chartered Accountants in Australia with over 35 years experience as a corporate advisor. Mr. Scott is a former senior partner of the international accounting firms of KPMG and Arthur Andersen. Mr. Scott currently holds directorships on Sandfire Resources NL, Lonestar Resources Limited, and Homeloans Limited.

Mr. Scott was appointed a director of the Company on March 28, 2013 and the Company’s Lead Director on October 30, 2015.

Phil C Lockyer – Non - Executive Director

Mr. Lockyer is a Mining Engineer and Metallurgist with more than 40 years experience in the mining industry, with an emphasis on gold and nickel, in both underground and open pit mining operations.

Mr. Lockyer was employed by WMC Resources for 20 years reaching the position of General Manager of Western Australia responsible for that company’s gold and nickel divisions. Mr. Lockyer holds directorships on Swick Mining Services Limited, and Western Desert Resources.

Mr. Lockyer was appointed a director of the Company on March 28, 2013.

Mr. David A Cruse – Non-Executive Director

Mr. Cruse has had a long career in commerce and finance. He was a stockbroker for over 20 years, where he held senior management positions and directorships in the stockbroking industry, with particular focus on capital markets. Mr. Cruse has been involved in the identification and commercialization of a number of resource (including oil and gas) projects.

Mr. Cruse has held a directorship position on the board of Odyssey Energy Limited since 2008. Mr Cruse was appointed a director of the Company on March 28, 2013.

Pre-Approval Policies and Procedures

The Risk and Audit Committee’s charter sets out responsibilities regarding the provision of non-audit services by the Company’s external auditors. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor’s independence and requires the Risk and Audit Committee preapproval of permitted audit and audit-related services.

External Auditor Services Fees

Audit Fees

The auditor of the Company is BDO Audit (WA) Pty Ltd. Throughout the year, the auditors performed the following services:

	2015	2014
	US\$	US\$
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:		
Audit Fees	65,767	85,809
Audit-Related Fees	210	23,874
Tax Fess	68,895	46,191

All Other Fees

	nil	nil
	<u>134,872</u>	<u>155,874</u>

ADDITIONAL INFORMATION

Copies of all materials incorporated by reference herein and additional information relating to the Company may be obtained on SEDAR, under the Company's profile, at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorised for issuance under equity compensation plans, is contained in the Company's information circular for its most recent annual meeting of shareholders. Additional financial information is provided in the Company's financial statements and Management and Discussion Analysis for the year ended December 31, 2015.

Schedule A

Risk and Audit Committee Charter (the "Charter")

By appropriate resolution of the Board of Directors of RTG Mining Inc. (the "Board"), the Risk and Audit Committee (the "Committee") has been established as a standing committee of the Board with the terms of reference set forth below. Unless the context requires otherwise, the term "Company" refers to RTG Mining Inc. and its subsidiaries.

1. **PURPOSE**

- 1.1 The Committee is appointed by the Board of the Company to assist the Board in fulfilling its financial management oversight responsibilities. The Committee's primary duties and responsibilities are to:

Audit

- (a) monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- (b) identify and monitor the management of the principal risks that could impact the financial reporting of the Company;
- (c) monitor the independence and performance of the Company's external auditor; and
- (d) provide an avenue of communication among the external auditor, management and the Board.

Risk

- (e) ensure that the Company has established a policy for the oversight and management of material business risks;
- (f) oversee the establishment and implementation by management of a system for identifying, assessing, monitoring and managing material business risks throughout the Company;
- (g) monitor the action being taken by management in addressing unacceptable levels of internal risk and ensuring that management periodically report to Board as to adherence to policies, guidelines and limits for the management of risk.

2. **AUTHORITY**

The Committee has the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

3. **COMPOSITION**

- 3.1 Committee members shall meet the requirements of the applicable securities regulatory rules and regulations. The Committee shall be comprised of at least three directors, as determined by the Board, each of whom shall be an "independent" director within the meaning of National Instrument 52-110 ("NI 52-110") promulgated by the Canadian

Securities Administrators and shall be free from any relationship that would interfere with the exercise of the director's independent judgment. All members of the Committee shall be "financially literate" within the meaning of NI 52-110 and at least one member of the Committee shall have accounting or related financial management expertise.

3.2 The members of the Committee shall be appointed by the Board and shall serve until their successors are appointed. The Board shall have the power at any time to change the membership of the Committee and to fill vacancies in it, subject to the Committee continuing to satisfy the composition requirements mentioned above. The Board shall designate one member of the Committee as its Chair. If a Chair of the Committee is not designated or present at a meeting, the members of the Committee may designate a Chair for the meeting by majority vote of the Committee membership. The Chair of the Committee must be an independent director and cannot simultaneously hold the position of Chair of the Board.

3.3 The relevant members of the Committee and the qualifications and experience of the members of the Committee must be disclosed.

4. MEETINGS

4.1 Except as expressly provided in this Charter or the Articles of the Company, the Committee shall fix its own rules of procedure.

4.2 The Committee shall meet as many times a year as circumstances dictate. The Committee Chair shall prepare and/or approve an agenda in advance of each meeting. The Committee should meet privately in executive session at least annually with management, the external auditor, and as a Committee to discuss any matter that the Committee or each of these groups believes should be discussed. In addition, the Committee should communicate with management quarterly as part of their review of the Company's interim financial statements and management's discussion and analysis.

4.3 At the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings must be disclosed.

4.4 At all meetings of the Committee, the presence of a majority of the members will constitute a quorum for the transaction of the business and the vote of a majority of the members present shall be the act of the Committee.

4.5 The Chair, any member of the Committee, the external auditors, the Chairman of the Board, or the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Committee by notifying the Company's Corporate Secretary who will notify the members of the Committee. The Chair shall chair all Committee meetings that he or she attends, and in the absence of the Chair, the members of the Committee present may appoint a chair from their number for a meeting.

4.6 Members of the Committee may participate in a meeting of the Committee by conference telephone or similar communications equipment by means of which all people participating in the meeting can hear each other and participation in such a meeting will constitute presence in person at such a meeting.

4.7 Any action required or permitted to be taken at any meeting of the Committee may be taken without a meeting if all of its members consent in writing to the action and such writing is filed with the records of proceedings of the Committee.

4.8 The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company.

4.9 Directors not on the Committee may attend meetings at their discretion. At the invitation of the Chair of the Committee, members of management and outside consultants may attend Committee meetings.

5. RESPONSIBILITIES

Review Procedures

- 5.1 The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "Applicable Requirements").
- 5.2 Review and update, if applicable or necessary, this Charter annually and submit any amended Charter to the Board for approval.
- 5.3 Review the Company's annual audited financial statements, related management's discussion and analysis ("MD&A") and related documents prior to filing or distribution. This review should include discussion with management and the external auditor of significant issues regarding accounting principles, practices, and significant management estimates and judgments.
- 5.4 Review with financial management the Company's quarterly financial results and related documents prior to the release of earnings and/or the Company's quarterly financial statements, the auditor's review report thereon, related MD&A and related documents prior to filing or distribution. As part of this review, the Committee should discuss any significant changes to the Company's accounting principles.
- 5.5 Review all filings with government agencies in Canada and assess the compliance of the Company in relation to governmental and stock exchange regulations as they apply to the Company respecting processes and controls.
- 5.6 Review all annual and interim earnings press releases before the Company publicly discloses the information.
- 5.7 Review the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
- 5.8 Review policies and procedures with respect to directors' and officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment.
- 5.9 Review the Company's risk management framework annually for purposes of ensuring continually sound risk management framework.
- 5.10 Discuss with management, the auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements.
- 5.11 Ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, as well as review any financial information and earnings guidance provided to analysts and rating agencies, and periodically assess the adequacy of those procedures.

External Auditor

- 5.12 The external auditor is ultimately accountable to the Committee and the Board, as representative of the shareholders. The Committee shall review the independence and performance of the auditor and annually recommend to the Board the appointment of the external auditor or approve any discharge of the external auditor when circumstances warrant.

- 5.13 Approve the fees and other significant compensation to be paid to the external auditor.
- 5.14 At least annually, the Committee shall review the qualifications and performance of the lead partner(s) of the auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.
- 5.15 Obtain annually, a formal written statement from the external auditor setting forth all relationships between the external auditor and the Company.
- 5.16 On an annual basis, the Committee should review and discuss with the external auditor all significant relationships the auditor has with the Company that could impair the auditor's independence.
- 5.17 Take, or recommend that the Board take, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- 5.18 Review the external auditor's audit plan, discuss and approve audit scope, staffing, locations, reliance upon management and general audit approach.
- 5.19 Prior to releasing the year-end financial report, the Committee will discuss the results of the audit with the external auditor. The auditor will review with the Committee any matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants.
- 5.20 At each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- 5.21 Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and, if applicable, former external auditor of the Company.
- 5.22 Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The authority to pre-approve non-audit services may be delegated by the Committee to one or more independent members of the Committee, provided that such pre-approval must be presented to the Committee's first scheduled meeting following such pre-approval. Pre-approval of non-audit services is satisfied if:
 - a. the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total amount of fees paid by the Company and subsidiaries to the Company's external auditor during the fiscal year in which the services are provided;
 - b. the Company or a subsidiary did not recognize the services as non-audit services at the time of the engagement; and
 - c. the services are promptly brought to the attention of the Committee and approved, prior to completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

Financial Reporting Processes

- 5.23 The Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Committee shall consider and review with management and the auditors:

- (a) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
- (b) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
- (c) any material issues raised by any inquiry or investigation by the Company's regulators;
- (d) the Company's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and
- (e) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

The Committee should discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures. The review will include a consideration of any significant findings prepared by the external auditor together with management's responses.

- 5.24 Review the effectiveness of the overall process for identifying the principal risks affecting financial reporting and provide the Committee's views to the Board.
- 5.25 Review analyses prepared by management and/or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.
- 5.26 Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management.
- 5.27 Review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments.
- 5.28 Following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- 5.29 Review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements.
- 5.30 Review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- 5.31 Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- 5.32 Review the financial disclosures certification process.

- 5.33 Establish procedure for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters or any material violation of securities laws or other laws, rules or regulations applicable to the Company and the operation of its business. Any such complaints or concerns that are received shall be reviewed by the Committee and, if the Committee determines that the matter requires further investigation, it will direct the Chair of the Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion.

Other Committee Responsibilities

- 5.34 Annually assess the effectiveness of the Committee against this Charter and report the results of the assessment to the Board.
- 5.35 The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.
- 5.36 As required under Securities Rules, prepare and disclose a summary of the Charter in applicable continuous disclosure documents.
- 5.37 Perform any other activities consistent with this Charter, the Company's articles, and governing law, as the Committee or the Board deems necessary or appropriate.
- 5.38 Maintain minutes of meetings and report to the Board on significant matters arising at Committee meetings at the next scheduled meeting of the Board.

Other Duties

- 5.39 Periodically conduct a self-assessment of Committee performance.
- 5.40 Review financial and accounting personnel succession planning within the Company.
- 5.41 Annually review a summary of director and officers' related party transactions and potential conflicts of interest.

6. NO RIGHTS CREATED

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Committee functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

7. CHARTER REVIEW

This Charter was adopted by the Board on August 13, 2015 and the Committee shall review and update this Charter annually and present it to the Board for approval.